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Montgomery County, Texas

Community Development Annual Action Plan

October 1, 2024- September 30, 2025



Montgomery County Grants and Community Development
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ANNUAL ACTION PLAN

PROGRAM YEAR 2024 (PY24)

October 1, 2024 – September 30, 2025

Prepared by:

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Approved by Commissioners Court 08/13/2024

County Judge:	Mark J. Keough
Commissioner Precinct 1:	Robert C. Walker
Commissioner Precinct 2:	Charlie Riley
Commissioner Precinct 3:	James Noack
Commissioner Precinct 4:	Matt Gray

Questions or Comments? Please contact the Grants and Community Development office at CDBG.MCTX@MCTX.ORG

PY 2024 Annual Action Plan

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Attachments

1. **Grantee SF-424's and Certification(s)**
2. **Citizen Participation- Public Notices & Comments (including broadband research)**
3. **Montgomery County Policies and Procedures**

Executive Summary

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

1. Introduction

Montgomery County receives annual entitlement grant funds from the U.S. Department of Housing and Urban Development (HUD). Montgomery County must submit a Five-Year Consolidated Plan and an Annual Action Plans to HUD for approval in order to utilize these funds. The purpose of these plans is to guide funding decisions in Montgomery County over the next five years using specific federal funds. The plans are designed to be a collaborative process between the local government, private and non-profit organizations and interested stakeholders to identify a unified vision for community development activities and to reduce duplication of effort at the local level.

Consolidated planning and submission is coordinated under the direction of the Montgomery County Grants and Community Development Department. Although Montgomery County serves as the lead agency, the County, in preparing the Consolidated and Annual Plans, consults with Montgomery County Commissioners' Court, the Montgomery County Community Development (MCCD) Advisory Committee, cooperating cities, social service agencies, the public and other entities to determine needs in the County. It offers local jurisdictions the opportunity to shape various housing and community programs into effective, coordinated intervention strategies by creating the opportunity for citizens to participate in a comprehensive planning event from the grassroots level.

The Annual Action Plan is submitted to HUD each year of the Five-Year Consolidated Plan and lists the activities the County will pursue with the federal funds in order to meet the goals and objectives established in the Five-Year Consolidated Plan. It establishes specific objectives and their benchmarks, which will be the focus of each coming year. Montgomery County will receive a combined total of $3,761,937.00 in Program Year 2024 from the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG). The County will allocate this funding for community development activities during Program Year 2024, which begins October 1, 2024 and ends September 30, 2025. Program Year 2024 is the second year of our current Five-Year Consolidated Plan.

The primary federal funding sources in the 2024 Annual Action Plan are the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds. These programs aim to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low- and moderate-income levels. Funds can be used for a wide array of activities, including housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of commercial or industrial buildings, loans or grants to businesses, and assistance to homeless persons and families.

In addition to the PY24 funding, Montgomery County will also continue to work on projects listed in the prior Annual Action Plans until their completion.

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.

The Annual Action Plan for Program Year 2024 identifies programs and activities that will be used to meet the County's overall goals as indicated in our Five-Year Consolidated Plan. Montgomery County's primary focus covered by this Annual Action Plan is to extend and strengthen partnerships with jurisdictions among all levels of government and the private sector, including for-profit and non-profit organizations to enable them to provide decent, safe, and sanitary housing, to provide a suitable living environment, and to expand economic opportunities.

CDBG Funding
Montgomery County will receive $2,854,565.00 in PY2024 Community Development Block Grant (CDBG) Program funds from HUD. Montgomery County will award CDBG public service funds to several non-profit agencies to provide much needed services for special needs populations such as the elderly, disabled, and abused children as well as enhancing crisis intervention, mental health care, home support networks, and youth homelessness prevention. The County plans to expand upon its Senior Transportation Program that was implemented in PY2023. The County intends to continue our Housing Demolition program using CDBG funds that were previously swept from prior allocations along with program income. Montgomery County will also maintain our Internal Housing Rehabilitation program using prior year's funding. Montgomery County previously allocated CDBG funding to an infrastructure project that will result in homes for both independent-living and assisted- living residents who are disabled. Montgomery County is allocating additional funding for the development of several public facilities, which include two new multi-purpose community centers that will expand social service delivery to rural areas by housing non-profits service agencies to help service low to moderate-income individuals and a new park that will provide free public access and a safe space for low-income children to play and for families to come together.

HOME Funding
Montgomery County will receive $670,649.00 in PY2024 HOME Investment Partnership (HOME) Program funds from HUD. Montgomery County has allocated HOME funds to the Down Payment Assistance Program for first time homebuyers. HOME CHDO set-aside funds will be allocated to construct affordable single-family homes for sale to low-income residents using youth in deferred adjudication as a job skills training program. Both HOME funded projects are designed to address critical affordable housing shortages in the County and to foster self-sufficiency.

ESG Funding
Montgomery County will receive $236,723.00 in PY2024 Emergency Solution Grant (ESG) Program funds from HUD. Montgomery County has awarded ESG funds to five agencies who will perform outreach, shelter, prevention, rapid re-housing, HMIS, and administrative related activities. These services are all towards helping the homeless or the at-risk of becoming homeless individuals and households.

HOME-ARP Funding
Montgomery County amended its PY21 Annual Action Plan to include HOME-ARP funds. These funds will be used for the acquisition and development of a non-congregate shelter exclusively for persons fleeing domestic violence as well as other supportive services for all HOME-ARP qualifying populations. The County will continue to work on these projects in PY24 and forward until their completion.

3. Evaluation of past performance

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

HUD evaluates the County's performance based on the objectives and outcomes it sets out for itself in the Plan. These outcomes are reported to HUD in a single annual performance report, the Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER is due to HUD ninety days after the end of the jurisdiction's fiscal year.

Montgomery County's most recent CAPER was prepared for PY2022 (October 1, 2022 to September 30, 2023). The CAPER reported the PY2022 accomplishments of the County's CDBG, HOME, and ESG Programs. The following is a summary of the accomplishments detailed in the PY2022 CAPER:

- Commissioner Precinct 2 Community Center - continued funding for a new community center in east Magnolia that will help to serve low to moderate income residents.
- Montgomery County Youth Services- continued funding to build a boys and girls shelter to expand their capacity to accommodate the unfortunate increase in homeless youth.
- Compassion United Day Center - continued funding for a day center for the chronically homeless population.
- New Danville Infrastructure- funding for expansion of infrastructure that includes water, sewer, and electrical lines as well as construction of a detention pond that will support future development of several buildings and residential housing/facilities that will provide access to support services for disabled adults.
- Commissioner Precinct 1 Community Center- funding for a new community center in Willis that will help to serve low to moderate income residents.
- Commissioner Precinct 4 Park- funding for the creation of a new park to serve low to moderate income residents of Precinct 4. The park will provide free public access and a safe space for low-income children to play and for families to come together and is located in a low/mod-income area.
- Owner-Occupied Housing Rehab - internal rehabilitation of one owner-occupied housing unit for vulnerable low-income citizens as well as rehabilitation of six owner-occupied housing units through a partnership with Habitat for Humanity.
- Housing Demolition - demolition of one house that contributed to slum and blight in the County.
- Public Services funded eight non-profit agencies. Society of Samaritans and Society of Saint Vincent De Paul provided emergency financial assistance to clients in order to prevent eviction and homelessness. Access Builds Children provided court ordered supervised visitation to minors and Children's Safe Harbor provided intervention for child victims of sexual assault. Keep Us Fed delivered meals to local homeless shelters in order to feed the food insecure in the county while Meals on Wheels fostered the independence of the rural senior community by providing ADA compliant transportation to critical appointments. Angel Reach provided substance abuse counseling to youth in the foster care system while Love Heals Youth provided mental health services for foster youth and training for staff and caregivers in the foster placement.

Montgomery County also received CDBG COVID-19 funding in order to prevent, prepare for, and respond to the coronavirus. These funds were passed thru to non-profit agencies who successfully administered the COVID-19 Assistance Program.

Countywide, HOME funds continue to be successfully used for down payment assistance to first-time homebuyers and to construct affordable single-family homes for sale to low-income residents while also providing job skills training to youth in deferred adjudication.

Support for homelessness continues to be a major priority in Montgomery County. ESG funds have been awarded to non-profits who manage emergency homeless shelters to provide safe, secure, and structured living environments to residents in Montgomery County who are homeless or at risk of homelessness. These funds also provide outreach, prevention, and rapid re-housing assistance to these individuals as well.

During PY22, HOME-ARP funds were used to develop and submit the HOME-ARP Allocation Plan. The Plan was submitted to HUD and approved in March 2023. The County is currently working on developing its HOME-ARP policies and procedures as well as request for proposal documents.

While the County has been diligent in trying to reach the goals set forth in our Annual Action Plan, the County experienced a few obstacles in carrying out its CDBG program in a timely manner in accordance with CDBG regulations for PY22. Montgomery County provided a Timeliness Workout Plan in September, 2022 to the HUD Regional Field Office in Houston, TX in order to address the issues and overcome obstacles that hindered the process of spending CDBG funds in a timely manner.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Montgomery County Grants and Community Development strives to ensure grassroots participation, collaboration, and planning with a countywide mindset. All public hearings are advertised on the County's website and social media platforms, posted at the Montgomery County library branches and at the East, West, Northwest, and North Community Centers, as well as in the Conroe Courier in both English and Spanish. All Public Hearing postings for citizen participation state that accommodations will be provided upon request.

The Montgomery County Community Development (MCCD) Advisory Committee, consisting of individuals appointed by Commissioners' Court, assists in the evaluation of non-profit proposals and provides comment and recommendations to Montgomery County Grants and Community Development for funding for the HUD Entitlement Grants. The MCCD Advisory Committee conducted three nights of in-person public hearings to hear proposals for projects, followed by another public hearing to allow citizen comments on the selected projects. A synopsis of awards was posted in the newspaper with a comment period available for citizen review.

A newspaper notice appeared in the Conroe Courier in both English and Spanish on March 31, 2024 notifying the public of a public meeting for the PY2024 needs assessment and housing and homelessness project presentations and encouraged public comment. The public meetings were held April 16-18, 2024 in the Commissioners Court room at 501 North Thompson, Ste 401 Conroe, TX 77301 beginning at 5:30pm.

Public Notices for the Montgomery County Grants and Community Development Department Proposed Statement of Objectives and Use of Funds appeared in the Conroe Courier in both English and Spanish on 06/21/2024. Notices were posted to the County's social media page on June 26, 2024 and July 1, 2024.

Notices were posted on the County's webpage on July 2, 2024 and sent to the Montgomery County Libraries and Community Centers for posting.

The Plan was made available to the public for review and comment beginning July 1, 2024 and ending July 31, 2024. The Plan was available at the Grants and Community Development Office located at 501 N. Thompson, Suite 200, Conroe, Texas 77301. Notices stating that the Plan was available for review were placed in the following locations:

- Conroe Courier newspaper
- The Montgomery County Grants and Community Development website and social media page
- Posted at all Montgomery County library branches
- Posted at the East, West, Northwest, and North CDBG funded Community Centers

During the review period, no citizens viewed the Plan at the Community Development Office.

The Public Hearing was held on July 15, 2024. There were no attendees and no public comments were made.

The PY2024 Annual Action Plan was presented to Commissioner's Court for approval on August 13, 2024.

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.

Montgomery County Grants and Community Development held a public hearing on July 15, 2024 at 5:30 pm in the Commissioners' Court room. The public hearing was held in accordance with the County's Citizen Participation Plan. Zero (0) citizens attended the meeting. A PowerPoint presentation was available, highlighting the purpose of the Annual Action Plan, why it is required, the priority needs identified by the County, and the proposed budget for the PY2024 Annual Plan beginning on October 1, 2024. There were no attendees and no public comments made. The meeting ended at 5:45 pm.

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 will receive $2,854,565.00 in Community Development Block Grant (CDBG) Program funds, $670,649.00 in HOME Investment Partnership (HOME) Program funds, and $236,723.00 in Emergency Solutions Grant (ESG) Program funds for Program Year 2024. The AAP documents were presented to the Montgomery County Commissioners Court on August 13, 2024, for consideration and action.

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	Montgomery County Grants & Community Development
HOPWA Administrator		
HOME Administrator	Montgomery County	Montgomery County Grants & Community Development
HESG Administrator	Montgomery County	Montgomery County Grants & Community Development
HOPWA-C Administrator		

TABLE 1 – RESPONSIBLE AGENCIES

Narrative (optional)

The above are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Montgomery County Grants and Community Development became operational in 1998 with the submission of the County's first Consolidated Plan. Federal entitlement funds are allocated to various jurisdictions based on a complicated formula, which includes population, demographics, area of the country, and the total amount of funding made available by Congress each budget year. Census data is used to determine allocations and the appropriateness of proposed projects. Montgomery County Grants and 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. As an Urban Entitlement

County, Montgomery County must comply with the Consolidated/Action Plan requirements in order to receive funding for formula-based HUD programs. Designated as the lead agency by the Montgomery County Commissioners Court, the Grants and Community Development Department is charged with the administration of the County's HUD funding. This includes assessing community needs, preparation and submission of the Consolidated Plan and the Annual Action Plan to HUD, managing project activities, administering finances, and monitoring and reporting to HUD. The administration of Entitlement funds is managed in-house and not contracted out.

Consolidated Plan Public Contact Information

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

1. Introduction

Montgomery County consults with a wide variety of organizations, particularly during the development of the Consolidated Plan. The Grants and Community Development Department conducts focus groups, public hearings, and a written/electronic survey to tap the will of the taxpayers. Professional organizations are consulted for expertise on specific subject matter. Members of the Homeless Coalition gave input regarding the needs of minorities, elderly, disabled, and low income in the community, specifically for housing in the preparation of the Consolidated Plan. During the preparation of the Annual Plan, a less extensive process is used, since the Annual Plan is designed to carry out the Goals and Objectives of the Consolidated Plan. Annually, the County only consults with professionals to assess emerging issues of concern.

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

There is no public housing in Montgomery County; however, several tax credit multi-family projects are located throughout the County. Montgomery County Grants and Community Development Department reviews and offers letters of support for projects when they match the goals of the Consolidated Plan. 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 Grants and Community Development Department funds numerous mental health and service agencies and has both built and funded medical clinics and facilities for mental health providers. The member agencies of MCCARES (Montgomery County's VOAD), including the Grants and Community Development Department, meet regularly to coordinate services, address rising emergencies, and connect services to housing providers.

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 Continuum of Care (CoC), which has transitioned from the Balance of State to merge with the Houston Coalition for the Homeless. The director of Grants and Community Development sits on the board of directors of the Houston Coalition for the Homeless. The Grants and Community Development Department gives Public Service funds to various homeless and prevention agencies to disperse ESG funds. The Grants and Community Development Department further assists CoC projects by providing Environmental Exemption/Exclusion documentation as a free service, and monitors consistency with the Consolidated Plan.

Coordination and consultation with the Continuum of Care and service providers in Montgomery County was conducted during the development of the HOME-ARP Allocation Plan. The outreach efforts and data collected during this process was considered and referenced in the development of the current Consolidated Plan.

The homeless needs assessment and gaps analysis section of the HOME-ARP Allocation Plan utilizes Continuum of Care HMIS data, Point-In-Time (PIT) count information, and several other data sources that are identified. Data was obtained from the Coalition for the Homelessness of Houston/Harris County, the lead agency for the homeless response system for Harris, Fort Bend, and Montgomery counties. Where possible, data specific to Montgomery County was used.

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

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

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

TABLE 2 – AGENCIES, GROUPS, ORGANIZATIONS WHO PARTICIPATED

1	**Agency/Group/Organization**	Montgomery County
	Agency/Group/Organization Type	Other government – County Grantee Department
	What section of the Plan was addressed by Consultation?	Planning & Administration and Non Housing Community Dev.

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Interviews with County staff and officials. Consultations provided information on the County's non-housing community development needs, including infrastructure and public services.
2	**Agency/Group/Organization**	Montgomery County Commissioners
	Agency/Group/Organization Type	Other Government - Local
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Interviews with County staff and officials. Consultations provided information on the County's non-housing community development needs, including infrastructure and public services. Grants and Community Development will continue to consult with residents, partner agencies, and other stakeholders to gather information about priority housing, homeless, and community development needs in the County. Staff will also keep the public informed of the Department's activities, opportunities for public engagement, funding availability, and progress made toward meeting program goals.
3	**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 Needs - Unaccompanied Youth Homelessness Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Grants and Community Development Department is a member of the steering committee for this regional CoC and determines use of funds in consultation and coordination.
4	**Agency/Group/Organization**	Various Broadband Providers
	Agency/Group/Organization Type	Services- Broadband Internet Service Providers
	What section of the Plan was addressed by Consultation?	Market Analysis Broadband Accessibility
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Local Broadband Providers Spectrum, AT&T, and Optimum were consulted regarding areas lacking in broadband accessibility and availability throughout Montgomery County as well as broadband plans available to low income families and households in Montgomery County. This information can be shared with other organizations assisting low-income families or households.
5	**Agency/Group/Organization**	Access Builds Children
	Agency/Group/Organization Type	Services-Children Non-Profit
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of CDBG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
6	**Agency/Group/Organization**	Angel Reach
	Agency/Group/Organization Type	Services-Homeless Non-Profit
	What section of the Plan was addressed by Consultation?	Non-housing community development

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. While the project was not selected for funding in PY 2024, Montgomery County will continue to consult with them for information regarding public needs.
7	**Agency/Group/Organization**	Catholic Charities
	Agency/Group/Organization Type	Services- Homeless Non-Profit Financial Assistance
	What section of the Plan was addressed by Consultation?	Non-housing community development and Homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of HESG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
8	**Agency/Group/Organization**	Children's Books on Wheels
	Agency/Group/Organization Type	Services- Education Non-Profit
	What section of the Plan was addressed by Consultation?	Economic Development Workforce Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. While the project was not selected for funding in PY 2024, Montgomery County will continue to consult with them insight on the County's Economic/Workforce Development needs.
9	**Agency/Group/Organization**	Children's Safe Harbor
	Agency/Group/Organization Type	Services- Children Non-Profit

	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of CDBG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
10	**Agency/Group/Organization**	Community Assistance Center
	Agency/Group/Organization Type	Non-Profit Financial Assistance
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of CDBG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
11	**Agency/Group/Organization**	Compassion United
	Agency/Group/Organization Type	Services- Homeless Services- Education Non-Profit
	What section of the Plan was addressed by Consultation?	Non-housing community development Homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of CDBG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
	Agency/Group/Organization	Developing Leaders Within

12	**Agency/Group/Organization Type**	Services- Children Non-Profit
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. While the project was not selected for funding in PY 2024, Montgomery County will continue to consult with them for information regarding public needs.
13	**Agency/Group/Organization**	Family Endeavors
	Agency/Group/Organization Type	Non-Profit
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. While the project was not selected for funding in PY 2024, Montgomery County will continue to consult with them for information regarding public needs.
14	**Agency/Group/Organization**	Humble Area Assistance Ministries
	Agency/Group/Organization Type	Services- Homeless Services- Education Non-Profit Financial Assistance
	What section of the Plan was addressed by Consultation?	Non-housing community development Homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of HESG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.

15	**Agency/Group/Organization**	Keep Us Fed
	Agency/Group/Organization Type	Non-Profit
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of CDBG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
16	**Agency/Group/Organization**	Meals on Wheels
	Agency/Group/Organization Type	Services- Elderly Persons Non-Profit
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of CDBG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
17	**Agency/Group/Organization**	Mosaics of Mercy
	Agency/Group/Organization Type	Services- Children Non-Profit
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. While the project was not selected for funding in PY 2024, Montgomery County will continue to consult with them for information regarding public needs.

18	**Agency/Group/Organization**	New Danville
	Agency/Group/Organization Type	Services- Persons with Disabilities Non-Profit
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. While the project was not selected for funding in PY 2024, Montgomery County will continue to consult with them for information regarding affordable housing needs and needs of persons with disabilities.
19	**Agency/Group/Organization**	Society of Samaritans
	Agency/Group/Organization Type	Non-Profit Financial Assistance
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of CDBG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
20	**Agency/Group/Organization**	Society of St Vincent De Paul
	Agency/Group/Organization Type	Non-Profit Financial Assistance
	What section of the Plan was addressed by Consultation?	Non-housing community development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of CDBG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.

21	**Agency/Group/Organization**	Weecare Inc
	Agency/Group/Organization Type	Services- Employment For-Profit
	What section of the Plan was addressed by Consultation?	Economic/Workforce Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. While the project was not selected for funding in PY 2024, Montgomery County will continue to consult with them insight on the County's Economic/Workforce Development needs.
22	**Agency/Group/Organization**	Walker-Montgomery Co. CDC
	Agency/Group/Organization Type	Housing Publicly Funded Institution/System of Care Non-Profit
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Affordable Housing
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of HOME funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
23	**Agency/Group/Organization**	Easter Seals of Greater Houston
	Agency/Group/Organization Type	Housing Non-Profit
	What section of the Plan was addressed by Consultation?	Public Housing Needs Affordable Housing

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of HOME funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
24	**Agency/Group/Organization**	Family Promise
	Agency/Group/Organization Type	Services- Children Services- Homeless Non-Profit Financial Assistance
	What section of the Plan was addressed by Consultation?	Homeless Needs- Families with Children Homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of HESG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
25	**Agency/Group/Organization**	Montgomery County Youth Services
	Agency/Group/Organization Type	Services- Homeless Services- Children Non-Profit Financial Assistance
	What section of the Plan was addressed by Consultation?	Homelessness Needs - Unaccompanied youth Homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of HESG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
	Agency/Group/Organization	Salvation Army Conroe Corps

26	**Agency/Group/Organization Type**	Services- Children Services- Homeless Non-Profit Financial Assistance
	What section of the Plan was addressed by Consultation?	Homeless Needs- Families with Children Homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. The agency will be a subrecipient of HESG funding to support their program. The County will coordinate with agency staff as the project progresses and complete all required monitoring.
27	**Agency/Group/Organization**	Habitat for Humanity
	Agency/Group/Organization Type	Housing Non-Profit
	What section of the Plan was addressed by Consultation?	Affordable Housing
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency submitted an application for PY 2024 funding. While the project was not selected for funding in PY 2024, Montgomery County will continue to consult with them for insight on the County's affordable housing needs.

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

During the development of the PY24 Annual Action Plan, the staff of the Grants and Community Development Department has continual communication with existing housing, social service agency and local government subrecipients. Montgomery County has made every reasonable effort to consult with agencies of all types through direct outreach and public meetings and hearings.

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	Addresses goals and objectives to assist the homeless and near-homeless
Montgomery County HOME-ARP Plan	Montgomery County Grants & Community Development	Addresses goals and objectives to assist the homeless and near-homeless
Montgomery County Hazard Mitigation Plan	Montgomery County Office of Homeland Security & Emergency Management	Addresses the County's plans for mitigating natural disasters
Texas Broadband Plan	Texas Comptroller's Broadband Development Office (BDO)	The Texas Comptroller has released the Texas Broadband Plan to support the expansion of broadband service for underserved and unserved Texans. Information provided will help define areas that are currently lacking in broadband availability and allow Grants and Community Development to prepare for incorporating broadband expansion within the next 5-Year plan.
FCC Form 477	Federal Communications Commission	Researched information regarding the availability of broadband carriers throughout the County. Data acquired will allow the County to make future decisions on the necessity for expanding broadband availability throughout the County.

TABLE 3 – OTHER LOCAL/REGIONAL/FEDERAL PLANNING EFFORTS

Narrative (optional)

Montgomery County Grants and Community Development is active in the community and conducts ongoing conversations with a variety of nonprofit and governmental entities about subjects of interest to the LMI population. Montgomery County is a small, rural area and interaction between directors, volunteers, and citizens is much less formal and much more frequent.

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 encouraged its residents to provide input throughout the planning process. The Grants and Community Development Department staff is available throughout the year to discuss programs and receive public comments, questions, and feedback about the programs. 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 program year.

Citizens were given several opportunities to comment, both in public and in writing, and were offered special accommodations if needed. These opportunities were advertised on the County's website and social media page, 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 the Montgomery County Community Development (MCCD) Advisory Committee, comprised of interested volunteers appointed from each Precinct and the County Judge. This committee heard presentations, read materials from applicants, and as a group made funding recommendations based on the goals and objectives prioritized in the Consolidated Plan.

The PY2024 Annual Action Plan was on public display from July 1, 2024 to July 30, 2024. These documents were also available for review on the County's website. A public hearing was conducted on July 15, 2024 at 5:30pm in the Commissioners Courtroom to hear comments and concerns regarding the Plan. The Plan was placed on the August 13, 2024 Montgomery County Commissioner's Court agenda for comment and approval.

Citizen Participation Outreach

See table on the following page.

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of Comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	County-Wide	Newspaper notice appeared in the Conroe Courier in both English and Spanish on March 31, 2024 notifying the public of a public hearing for needs assessment and housing and homelessness project presentations and encouraging public comment	No Comments Received.	N/A	
2	Public Meeting	County-Wide	Public meetings were held on April 16-18, 2024 for a public needs assessment and to hear applicant proposed projects and take comment from the general public regarding the proposed projects	No Comments Received.	N/A	
3	Newspaper Ad	County-Wide	Newspaper notices appeared on June 21, 2024 to notify public of a public hearing and comment period to review the proposed PY 2024 Annual Action Plan	No Comments Received.	N/A	
4	Grants and Community Development Social Media	County-Wide	Advertisement was placed on the Grants and Community Development Facebook page on June 26, 2024 to notify public of a public hearing and comment period to review the proposed PY 2024 Annual Plan	No Comments Received.	N/A	

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	Grants and Community Development Social Media	County-Wide	Advertisement was placed on the Grants and Community Development Facebook page on July 1, 2024 to notify public of a public hearing to review the proposed PY 2024 Annual Plan	No Comments Received.	N/A	
6	County Website	County-Wide	Advertisement was placed on the Grants and Community Development website on July 2, 2024 to notify public of a public hearing and comment period to review the proposed PY 2024 Annual Plan	No Comments Received.	N/A	
7	Public Posting	County-Wide	Information was posted at the Montgomery County Libraries and Community Centers on July 2, 2024 to notify the public of a public hearing and comment period to review the proposed PY 2024 Annual Plan	No Comments Received.	N/A	
8	Public Hearing	County-Wide	The Annual Plan was presented in a public hearing on July 15, 2024	No Comments Received.	N/A	

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)
9	Commissioners Court	County-Wide	The proposed PY 2024 Annual Action Plan was submitted to the Commissioner's Court on August 13, 2024, 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.	N/A	

TABLE 3 – CITIZEN PARTICIPATION OUTREACH

Expected Resources

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

Introduction

Montgomery County will receive a combined total of $3,761,937 in PY2024 from the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) program as follows:

CDBG: $2,854,565
HOME: $670,649
ESG: $236,723

Montgomery County will allocate this funding for community development activities during Program Year 2024, which begins October 1, 2024 and ends September 30, 2025. PY2024 funds along with prior year carry-over dollars will be utilized throughout the County to support a variety of public services, homeless and housing programs, and public facility improvements.

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	$2,854,565	$0	$0	$2,854,565	$8,080,242	This year Montgomery County will allocate 20% or $570,913 for admin, 15% or $428,184 for public services, $10,000 for rehab project delivery, and $1,345,468 for capital project activities. This is the second year of our current 5-Year plan. The expected amount available for the remainder of the Con Plan is 3 times the 2023 CDBG Annual allocation. The 2023 CDBG Annual allocation total was: $2,693,414.00
HOME	Public-Federal	Acquisition Homebuyer Assistance Homeowner Rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	$670,649	$0	$0	$670,649	$2,331,102	This year 10% or $67,065 will be used for admin. The rest will go towards affordable housing in the form of the CHDO and Down Payment Assistance. This is the second year of our current 5-Year plan. The expected amount available for the remainder of the Con Plan is 3 times the 2023 HOME Annual allocation. The 2023 HOME Annual allocation total was: $777,034.00

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	$236,723	$0	$0	$236,723	$671,289	This year Community Development admin will be $8,877 and the other $8,877 for admin will be allocated to the various agencies selected as subrecipients. At least 40% of the funds will go to Prevention, Rapid Re-housing, and HMIS. No more than 60% of the funds will go towards Street Outreach and Shelter Operations. This is the second year of our current 5-Year plan. The expected amount available for the remainder of the Con Plan is 3 times the 2023 HESG Annual allocation. The 2023 HESG Annual allocation total was: $223,763.00
OTHER	Public-Local	Admin & Planning	$313,665	$0	$0	$313,665	$0	Montgomery County allocates local funding for administrative purposes that are not authorized by federal funding rules along with the Director and Assistant Director Salaries/Benefits and related operating expenses.

TABLE 1 – 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

The County's Grants and Community Development department receives $313,665 in local funding from Montgomery County for administrative purposes that are not authorized by federal funding rules along with the salary/benefits and related operating expenses for the Director and

Assistant Director of Grants and Community Development. The Community Development team, excluding the Director and Assistant Director, operates off federal funds to cover costs of planning and program administration. Montgomery County encourages the matching of funds for CDBG Program projects, although it is not required. The use of HOME Program funds requires a match of local or private funds of 25% while the use of ESG Program funds requires a match of local or private funds of 50%. Match requirements are passed to the subrecipients of HOME and ESG funds and must be committed and described in the funding application. Matching requirements are generally received with each activity's draw on an ongoing basis. There is also an end of the year report for both HOME and ESG matching requirements.

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

Montgomery County will utilize property located within Precinct 1 for the construction of a new community center located near the Montgomery County Fairgrounds, property located within Precinct 2 for the construction of a new community center located in Magnolia, and property in Precinct 4 for the development of a new park. These properties are all currently owned by Montgomery County.

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	Planning and Administration	2023	2027	Planning and Administration	County Wide Service or Project	Planning & Administration	CDBG: $570,913 HOME: $67,065 ESG: $8,877	23. Other: 0
2	Public Services	2023	2027	Non-Housing Community Development	County Wide Service or Project Precinct 1 Precinct 2 Precinct 3 Precinct 4	Public Services	CDBG: $428,184 ESG: $227,846	3. Public service activities other than Low/Moderate Income Housing Benefit: 3333 Persons Assisted 12. Tenant-based rental assistance/Rapid Rehousing: 20 Households Assisted 13. Homeless Person Overnight Shelter: 559 Persons Assisted 15. Homelessness Prevention: 116 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	New Park Development and Park Improvements	2023	2027	Non-Housing Community Development	Precinct 4	New Park Development and Improvements to existing parks	CDBG: $1,179,943	1. Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 15,265 Persons Assisted
4	Development and Preservation of Affordable Housing	2023	2027	Affordable Housing	County Wide Service or Project	Affordable Housing	CDBG: $10,000 HOME: $603,584	9. Homeowner Housing Added: 1 Households Housing Unit 10. Homeowner Housing Rehabilitated: 2 Households Housing Units 11. Direct Financial Assistant to Homebuyers: 22 Households Assisted
5	Public Infrastructure Improvements	2023	2027	Non-Housing Community Development	Precinct 1	Public Infrastructure Improvement	CDBG: $665,525	1. Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 53,360 Persons Assisted

TABLE 2 – GOALS SUMMARY

Goal Descriptions

1	**Goal Name**	Planning and Administration
	Goal Description	For PY24, funds will be used to pay for the administrative costs associated with the general management, oversight, and coordination of the CDBG, HOME, and ESG programs, including direct staff and consulting services.
2	**Goal Name**	Public Services
	Goal Description	The County has a responsibility to provide services for County residents. Activities to be funded under this goal for PY24 include, but are not limited to: • Abused and neglected children services • Senior programs, including transportation assistance • Assistance to individuals who are disabled • Crisis intervention services such as rent, mortgage, and utility assistance • Education and training support • Outreach, Shelter, Prevention, and Rapid Re-housing services
3	**Goal Name**	New Park Development and Park Improvements
	Goal Description	For PY24, funds will be used to continue the development of a new park in Precinct 4. This park is located in a low/mod-income area and will provide free public access and a safe space for low-income children to play and for families to come together. During the program year the County anticipates completing the site preparation and site recreational development phases.

4	**Goal Name**	Development and Preservation of Affordable Housing
	Goal Description	The County is continuing to support housing through two primary sources, both of which are funded by HOME funds. PY24 funding will be utilized for the development and preservation of affordable housing through the following activities: • CHDO- through their Youth Build program they construct affordable single-family homes for sale to low-income residents using youth in deferred adjudication as a job skills training program. • Easter Seals of Greater Houston- they provide Down Payment Assistance to low-income homebuyers In addition to these activities, the County intends to use CDBG funds that were previously swept from prior allocations along with program income to continue to fund our internal Housing Demolition program and our Housing Rehabilitation Program.
5	**Goal Name**	Public Infrastructure Improvements
	Goal Description	Funding will be for the development of new public facilities and improvements to existing public facilities throughout the County. For PY24 specifically, funding will be used to continue the development of a new multi-purpose Community Center in Precinct 1. This project will service low to moderate-income individuals. The facility will expand social service delivery by housing non-profits that provide key resources to low income and indigent residents of the area and provide affordable event rental space. Funds from this program year will be used for remaining architectural services needed and financing for the construction of the community center building for Precinct 1. In addition to this activity, the County intends to continue using previous CDBG funds that were allocated for the development of the East Magnolia Community Center.

Projects

AP-35 Projects – 91.220(d)

Introduction

Montgomery County will receive a combined total of $3,761,937 in Program Year 2024 from the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG).

CDBG Funding- Montgomery County will receive $2,854,565 in PY2024 Community Development Block Grant (CDBG) Program funds from HUD. These funds will be used for CDBG administration, public services, and infrastructure projects.

HOME Funding-Montgomery County will receive $670,649 in PY2024 HOME Investment Partnership (HOME) Program funds from HUD. These funds will be used for HOME administration, down payment assistance, and our CHDO set-aside.

ESG Funding-Montgomery County will receive $236,723 in PY2024 Emergency Solution Grant (ESG) Program funds from HUD. These funds will be used for ESG administration, emergency shelter operations, outreach, prevention, rapid re-housing, and HMIS.

The County has established multiple goals and objectives to address during the course of the Consolidated Plan. The activities to be undertaken specifically during PY2024 are listed below and further those goals and objectives.

Projects

#	Project Name
1	2024 CDBG Planning & Administration
2	2024 CDBG Housing Rehab Project Delivery
3	2024 CDBG Com Pct 1 Community Center
4	2024 CDBG Com Pct 4 Park
5	2024 CDBG Senior Transport Vehicle
6	2024 CDBG Access Builds Children Public Services
7	2024 CDBG Children's Safe Harbor Public Services
8	2024 CDBG Community Assistance Center Public Services
9	2024 CDBG Compassion United Public Services
10	2024 CDBG Keep Us Fed Public Services
11	2024 CDBG Meals on Wheels Public Services
12	2024 CDBG Society of Samaritans Public Services
13	2024 CDBG Society of St Vincent De Paul Public Services
14	2024 HOME Planning & Administration
15	2024 HOME Walker-Montgomery County CHDO
16	2024 HOME Easter Seals DPA
17	2024 HESG Montgomery County

TABLE 3 - PROJECT INFORMATION

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

The Grants and Community Development department disperses Public Service funds to a variety of non-profits to address the identified needs of low-income residents in the County. Funding is also being provided for other populations in need such as homeless youth and families, persons with disabilities, and others. Housing projects continue to focus on the rehabilitation of existing housing units and the development of new affordable housing, both renter and owner-occupied. The primary obstacle for those addressing underserved needs is the lack of adequate funding.

AP-38 Project Summary

Project Summary Information

1	**Project Name**	2024 CDBG Planning & Administration
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Planning and Administration
	Needs Addressed	Planning and Administration
	Funding	CDBG $570,913.00
	Description	These funds will be used to pay for the administrative costs associated with the general management, oversight, and coordination of the CDBG Program, including direct staff and consulting services.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	501 N. Thompson, Ste 200, Conroe, TX 77301
	Planned Activities	CDBG related Administrative & Management activities
	Goal Outcome Indicators	23. Other: 0
2	**Project Name**	2024 CDBG Housing Rehab Project Delivery
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Development and Preservation of Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG $10,000.00

	Description	These funds will be used for project delivery specifically related to our internal Housing Rehabilitation program
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	We are anticipating to service 2 homes through our Rehabilitation Program this plan.
	Location Description	The houses for rehabilitation are accepted on a county wide basis exclusive of the City of Conroe.
	Planned Activities	Housing Rehabilitation
	Goal Outcome Indicators	10. Homeowner Housing Rehabilitated: 2 Household Housing Units
3	**Project Name**	2024 CDBG Com Pct 1 Community Center
	Target Area	Precinct 1
	Goals Supported	Public Infrastructure Improvements
	Needs Addressed	Public Infrastructure Improvements
	Funding	CDBG $665,525.00
	Description	This is a continuing project to build a new Community Center in North Montgomery County to help service low to moderate income individuals. This facility will house non-profits that provide key resources to low income and indigent residents of the area and provide affordable event rental space for the low to moderate individuals in the area. This project will be a multi-year project and will be funded from multiple program years. Previous activities associated with this project are: 796.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 53,360 persons

	Location Description	This Community Center will be located in Pct 1 near the Montgomery County Fairgrounds.
	Planned Activities	The funds for this program year will be used for remaining architectural services and construction services needed to build a new Community Center in North Montgomery County.
	Goal Outcome Indicators	1. Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1
4	**Project Name**	2024 CDBG Com Pct 4 Park
	Target Area	Precinct 4
	Goals Supported	New Park Development & Park Improvements
	Needs Addressed	New Park Development & Improvements to Existing Parks
	Funding	CDBG $1,179,943.00
	Description	This is a continuing project for the acquisition and construction of a new park within East Montgomery County and will be a multi-year project expansion to include a future recycle center. This project will serve the low and moderate income within Precinct 4 of Montgomery County. This park will provide free public access and a safe space for low income children to play and for families to come together. This park is located in a low/mod-income area. Previous activities associated with this project are: 772, 773, and 798.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 15,265 persons
	Location Description	This Park will be located within Pct 4.
	Planned Activities	The funds for this program year will be used for the remaining architectural services and construction services needed to build a new park in Commissioner Pct 4.

	Goal Outcome Indicators	1. Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1
5	**Project Name**	2024 CDBG Senior Transport Vehicle
	Target Area	Precinct 2
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	$110,000.00
	Description	Montgomery County is implementing a transportation program for our senior community. These funds will be used to purchase a transport vehicle in order to implement the program for residents of Commissioner Pct. 2. The County plans to expand this program across all Precincts in the remaining program years.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Com Pct 2 is expecting to serve a total of 50 elderly individuals in need of transportation.
	Location Description	Commissioner Pct 2 is located at 19110 Unity Park Dr. Magnolia, TX 77355
	Planned Activities	These funds will be used to purchase a transport vehicle in order to expand the current program to residents of Commissioner Pct. 2. The County plans to expand this program across all Precincts in the remaining program years.
	Goal Outcome Indicators	3. Public Service Activities Other than Low/Mod Income Housing Benefit: 50 Persons Assisted
6	**Project Name**	2024 CDBG Access Builds Children Public Services
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Public Services

	Needs Addressed	Public Services
	Funding	CDBG $10,000.00
	Description	Access Builds Children offers supportive intervention services for Montgomery County Child Protective Services (CPS) with a focus on engaging parents to better protect and meet the needs of their children. Through their "Nurturing Parents" program they provide supervised visitation services to low and moderate-income families in Montgomery County as well as incorporate Nurturing Parenting courses at a discounted rate to low and moderate-income families with the goal of stabilizing family reunifications.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Access Builds Children expects to assist over 90 low-moderate income families in need of this assistance.
	Location Description	Access Builds Children is located in Conroe, Texas, but offers assistance to all qualifying Montgomery County residents in need of these services.
	Planned Activities	These funds will be used for the "Nurturing Parents" program to provide supervised visitation services to low and moderate-income families in Montgomery County as well as incorporate Nurturing Parenting courses at a discounted rate to low and moderate-income households.
	Goal Outcome Indicators	3. Public Service activities other than low/mod housing benefit: 90 households
7	**Project Name**	2024 CDBG Children's Safe Harbor Public Services
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG $60,000.00

	Description	Children's Safe Harbor supports abused children and their families through trauma informed advocacy services. Funds will be used for one clinical coordinator position to provide mental health assessments, supervise counseling student interns and victim advocate staff, process civil and criminal subpoenas, and provide trauma informed individual, family, and group therapy services to children ages 2-17 and their non-offending parents, guardians, and siblings. The clinical coordinator serves on the leadership team and is instrumental in case management, suicide prevention and mental health training and public awareness programs across Montgomery County.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Children's Safe Harbor anticipates helping 330 individuals with trauma informed counseling services.
	Location Description	Children's Safe Harbor is located in Conroe but they offer their services Countywide.
	Planned Activities	Funds will be used for one clinical coordinator position to provide mental health assessments, supervise counseling student interns and victim advocate staff, process civil and criminal subpoenas, and provide trauma informed individual, family, and group therapy services to children ages 2-17 and their non-offending parents, guardians, and siblings.
	Goal Outcome Indicators	3. Public Service Activities Other than Low/Mod Income Housing Benefit: 330 Persons Assisted
8	**Project Name**	2024 CDBG Community Assistance Center Public Services
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG $20,000.00

	Description	Funds will be used to support low-income individuals and families throughout Montgomery County by providing basic needs and crisis intervention with rent, mortgage, and utility assistance. In addition to these critical services, CAC, will offer holistic, client focused case management services to identify other areas of opportunity to ensure that neighbors have the resources they need to not only obtain a greater level of self-sufficiency, but to maintain it.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	CAC is expecting to serve a total of 55 Households or approximately 220 individuals in need of assistance.
	Location Description	CAC is located in Conroe, Texas, but offers assistance to all qualifying Montgomery County residents in need of these services.
	Planned Activities	These funds will be used to provide client crisis financial services in the form of financial assistance for rent and utilities.
	Goal Outcome Indicators	3. Public Service activities other than low/mod housing benefit: 220 individuals
9	**Project Name**	2024 CDBG Compassion United Public Services
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG $15,000.00
	Description	Compassion United's goal is to increase stabilization services to the homeless in Montgomery County through increases in education and training support, employment services, obtaining vital ID's, and connecting individuals to health and mental health services including help with transportation and connection to other resources.
	Target Date for Completion	9/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	Compassion United expects to help a total of 225 individuals in need of assistance.
	Location Description	Compassion United is located in Conroe, but offers assistance to all qualifying Montgomery County residents in need of these services.
	Planned Activities	These funds will be used to provide direct assistance in obtaining ID's, bus passes, and education and training.
	Goal Outcome Indicators	3. Public Service activities other than low/mod housing benefit: 225 individuals
10	**Project Name**	2024 CDBG Keep Us Fed Public Services
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG $51,000.00
	Description	Keep Us Fed provides food to local charities which serve the homeless, low-income families, and individuals. They focus on recovery of perishable food items to prevent food waste and provide access to food for those who would otherwise go without.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Keep Us Fed plans to help approximately 1,560 individuals
	Location Description	Keep Us Fed operates out of low income food distribution centers throughout the County.
	Planned Activities	These funds will be used for the salary and supplies for two coordinators to support Montgomery County Food Recovery.
	Goal Outcome Indicators	3. Public Service Activities Other than Low/Mod Income Housing Benefit: 1,560 Persons Assisted

11	**Project Name**	2024 CDBG Meals on Wheels Public Services
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG $40,000.00
	Description	Meals on Wheels Montgomery County fosters the independence of the rural senior community of Montgomery County by providing ADA compliant transportation to critical appointments.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Meals on Wheels is expecting to serve a total of 200 elderly and disabled individuals in need of transportation.
	Location Description	Meals on Wheels operates all over the County and offers rides to anyone that qualifies for the program.
	Planned Activities	These funds will be used for transportation services for the elderly & disabled to and from critically important appointments.
	Goal Outcome Indicators	3. Public Service Activities Other than Low/Mod Income Housing Benefit: 200 Persons Assisted
12	**Project Name**	2024 CDBG Society of Samaritans Public Services
	Target Area	Precinct 2
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG $62,184.00

	Description	Society of Samaritans provides food, clothing, and emergency financial assistance to residents of Montgomery County. They partner with churches, governmental bodies, service organizations, and the community to help meet the basic needs of Montgomery County citizens.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	SoS is expecting to help a total of 208 individuals with these funds.
	Location Description	SoS is located in Magnolia, TX and offers assistance to qualifying Montgomery County residents zoned to the Magnolia Independent School District.
	Planned Activities	These funds will be used to provide client crisis financial services in the form of financial assistance for rent and utilities, benefiting individuals and families zoned to the Magnolia Independent School District. Funds will also be utilized for the salary and benefits for a Financial Assistance Administrator.
	Goal Outcome Indicators	3. Public Service Activities Other than Low/Mod Income Housing Benefit: 208 Persons Assisted
13	**Project Name**	2024 CDBG Society of St Vincent De Paul Public Services
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG $60,000.00
	Description	Society of St Vincent De Paul provides food, clothing, and emergency financial assistance to residents of Montgomery County. Support from this project will enable struggling individuals and families of Montgomery County to maintain their dignity while avoiding or escaping homelessness

	Target Date for Completion	9/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	Society of Saint Vincent de Paul expects to help a total of 450 individuals with these funds.
	Location Description	Society of Saint Vincent De Paul is located in Conroe, but offers their services Countywide.
	Planned Activities	These funds will be used to provide crisis intervention to include emergency financial assistance for rent and utilities.
	Goal Outcome Indicators	3. Public Service Activities Other than Low/Mod Income Housing Benefit: 450 Persons Assisted
14	**Project Name**	2024 HOME Planning & Administration
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Planning and Administration
	Needs Addressed	Planning and Administration
	Funding	HOME $67,065.00
	Description	These funds will be used to pay for the administrative costs associated with the general management, oversight, and coordination of the HOME Program, including direct staff.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	Montgomery County Grants & Community Development is located at: 501 N. Thompson, Ste 200, Conroe, TX 77301, and can be reached at 936-538-8060.
	Planned Activities	HOME related Administrative & Management activities
	Goal Outcome Indicators	23. Other: 0

15	**Project Name**	2024 HOME Walker-Montgomery County CHDO
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Development and Preservation of Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	HOME $225,000.00
	Description	The CHDO provides safe and affordable homes to the low income while providing construction trade training for at risk minors. These funds will be used to complete construction of the BAJA property and to start construction on the Hidden Forest Project. Some funds may go towards the environmental reviews and acquisition of new property in order to build more housing in the future.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	This proposed activity is expected to add 1 affordable home to the market and help assist with additional homes in the future.
	Location Description	These houses are located on Baja St and within the Hidden Forest Subdivision in Montgomery, Texas
	Planned Activities	The funds for this project will be used to finish construction of the BAJA property and to start construction on the Hidden Forest Project.
	Goal Outcome Indicators	9. Homeowner Housing Added: 1 Household Housing Units
16	**Project Name**	2024 HOME Easter Seals DPA
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Development and Preservation of Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	HOME $378,584.00

	Description	Easter Seals provides homebuyer's education and down payment assistance to low income families, Montgomery County veterans, and people with disabilities in the Montgomery County area.
	Target Date for Completion	9/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	This program anticipates helping 22 families.
	Location Description	This service is offered to anyone in the County.
	Planned Activities	The funds for this project will be used for Down Payment Assistance and Home Owner education services.
	Goal Outcome Indicators	11. Direct Financial Assistance to Homebuyers: 22 Households Assisted
17	**Project Name**	2024 HESG Montgomery County
	Target Area	County-wide or Non-Site Specific
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	ESG: $236,723.00
	Description	Funding totaling $227,846 is going towards the following agencies: Family Promise, The Salvation Army, MCYS, Catholic Charities, and HAAM, who will perform ESG related Outreach, Shelter, Prevention, Rapid Re-housing, HMIS, and Admin related activities. These services are all towards helping the homeless or the at-risk of becoming homeless individuals and households. The County is retaining $8,877.00 in Admin costs to pay for the administrative costs associated with the general management, oversight, and coordination of the ESG Program.
	Target Date for Completion	9/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	Family Promise: Shelter 60, Prevention 23, and Rapid Rehousing 15 The Salvation Army: Shelter 450, Prevention 4, and Rapid Rehousing 2 Montgomery County Youth Services dba Yes to Youth: Shelter 49, Prevention 29, and Rapid Rehousing 3 Catholic Charities: Prevention 24 HAAM: Prevention 36
	Location Description	Services will be offered to anyone within Montgomery County
	Planned Activities	This funding is going towards the following agencies: Family Promise, The Salvation Army, MCYS, Catholic Charities, and HAAM, who will perform ESG related Outreach, Shelter, Prevention, Rapid Re-housing, HMIS, and Admin related activities. These services are all towards helping the homeless or the at-risk of becoming homeless individuals and households. The County is retaining $8,877.00 in Admin costs to pay for the administrative costs associated with the general management, oversight, and coordination of the ESG Program. Family Promise will receive a total of $32,500.00: Shelter $18,234.00, Prevention $7,500.00, Rapid Rehousing $5,500.00, and Admin $1,266.00 The Salvation Army will receive a total of $40,000.00: Shelter $22,441.00, Prevention $10,000.00, Rapid Rehousing $6,000.00, and Admin $1,559.00 Montgomery County Youth Services dba Yes to Youth will receive a total of $81,133.50: Shelter $44,547.50, Prevention $16,226.00, Rapid Rehousing $16,226.00, HMIS $974.00, and Admin $3,160.00 Catholic Charities will receive a total of $20,000.00: Prevention $19,220.00 and Admin $780.00 HAAM will receive a total of $54,212.50: Prevention $52,100.50, and Admin $2,112.00

	Goal Outcome Indicators	12. Tenant-based rental assistance/rapid rehousing: 20 Persons Assisted 13. Homeless Person Overnight Shelter: 559 Persons Assisted 15. Homelessness Prevention: 116 Persons Assisted 23. Other: 0

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 are distributed throughout the rural County. Precinct 4 has the largest population of low-income residents. Many of the County's public services are based in the City of Conroe but serve residents throughout the entire County. The County generally serves low-income and minority residents by funding non-profits serving the entire County, and by funding the development of new parks and community centers.

Geographic Distribution

Target Area	Percentage of Funds
County Wide Service or Project	50%
Precinct 3	
Precinct 1	16%
Precinct 2	5%
Precinct 4	29%

TABLE 4 - GEOGRAPHIC DISTRIBUTION

Rationale for the priorities for allocating investments geographically

Montgomery County does not allocate investments geographically. Low income and minority populations tend to be spread out all across the county. Many of the public services are provided by agencies who operate countywide. Each year, Montgomery County requests applications from potential CDBG, HOME, and ESG subrecipients for capital and public service projects. Following a review of applications, the County allocates investments that best meet priority needs based on project eligibility, availability of funds, and readiness to proceed (as detailed and supported by information contained in the application). The County does not identify target areas for the use of HUD grant funds.

Discussion

Transportation is an issue in this large, rural County with limited public transportation. While many of the County's public services are located within the City of Conroe, services are available to residents countywide and are sent out to the clientele, rather than vice versa, in order to increase access to public services.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Montgomery County has a major need for the development and preservation of affordable housing. There is a lack of affordable housing for Montgomery County households earning 0%-50% AMI. In an effort to support self-sufficiency and independent living among County residents, funded projects include:

- 2 owner occupied housing rehabilitation through the County's in-house rehab program;
- The addition of 1 affordable homeowner housing units through the CHDO Youth Build Program; and
- Homebuyer Down Payment Assistance provided to 22 clients through the Easter Seals DPA Program

The table below combines CDBG and HOME funded activities that address the affordable housing goals. The County anticipates assisting an additional 116 households at risk of homelessness through homelessness prevention services. However, that is not reflected in the tables below.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	25
Special-Needs	0
Total	25

TABLE 6 - ONE YEAR GOALS FOR AFFORDABLE HOUSING BY SUPPORT REQUIREMENT

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	1
Rehab of Existing Units	2
Acquisition of Existing Units	22
Total	25

TABLE 7- ONE YEAR GOALS FOR AFFORDABLE HOUSING BY SUPPORT TYPE

Discussion

Limited funds prevent Community Development from producing many new units at a time. Montgomery County will utilize CDBG, HOME, and ESG funding to maximize the number of households that are provided affordable housing through rental assistance (subsistence payments and homeless prevention programs), owner-occupied housing rehabilitation, and homebuyer assistance programs. Funding will continue to be provided to the Walker-Montgomery CHDO for the construction of affordable housing for the general low-income population as a method of teaching construction skills to residents.

Montgomery County's homeless population is relatively small, but the population of at-risk and non-homeless special needs is large and growing. The County works closely with the housing authority to ensure all is being done with fair housing as can be and continues to fund a variety of public services annually.

AP-60 Public Housing – 91.220(h)

Introduction

The Montgomery County Housing Authority (MCHA) does not have public housing units. The MCHA administers Section 8 Housing Choice Vouchers only.

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

There are no public housing units in Montgomery County.

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

N/A

Discussion

Although the MCHA is not a department of the County or City government, the two entities work closely to increase access to affordable housing. The Housing Authority does not own property.

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

Introduction

Montgomery County will use CDBG, HOME, and ESG funds to address homelessness and other special needs in the 2024 program year.

The Montgomery County Homeless Coalition manages the Continuum of Care (CoC). The Director of Grants and Community Development sits on the board of directors of the Houston Coalition for the Homeless. Montgomery County manages HUD funds separately from the COC, but consulted the Homeless Coalition regarding what the greatest service needs in the county currently are, and allocated CDBG and ESG funds according to those identified needs. Montgomery County's HOME-ARP Allocation Plan used data obtained from the Coalition for the Homelessness of Houston/Harris County, the lead agency for the homeless response system for Harris, Fort Bend, and Montgomery counties.

Montgomery County's HOME-ARP Allocation Plan identified the following priority needs for qualifying populations:

- Affordable rental housing for 0%-30% AMI households
- Emergency shelter expansion for those fleeing domestic violence, sexual assault, dating violence and human trafficking
- Affordable rental housing for those fleeing domestic violence, sexual assault, dating violence and human trafficking
- Permanent Supportive Housing
- Rapid Rehousing Units
- Increased investment in supportive services.

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

CDBG public service funds are awarded to Compassion United whose goal is to increase stabilization services to the homeless in Montgomery County through increases in education and training support, employment services, obtaining vital ID's, and connecting individuals to health and mental health services including help with transportation and connection to other resources.

ESG funds are earmarked for homeless service agencies, which conduct outreach activities. ESG funds will be going towards five agencies that serve homeless persons: Family Promise, The Salvation Army, Montgomery County Youth Services, Catholic Charities, and HAAM. These agencies will perform ESG related outreach, shelter operation, homelessness prevention, rapid re-housing, HMIS and program administration activities. ESG Public Service funds are providing multiple agencies with the ability to help

the homeless or at-risk of homelessness households and individuals throughout Montgomery County.

Addressing the emergency shelter and transitional housing needs of homeless persons

Montgomery County will continue to address the needs of the emergency shelters in the County through participation in the Homeless Coalition and through funding when available. PY24 ESG funds were allocated to five agencies that serve homeless persons; three of them provide emergency shelter. Montgomery County Youth Services focuses on the homeless Youth ages 10-17 in the County. They provide youth and families who are homeless or at-risk of homelessness with emergency shelter and supportive services to increase progress toward preventing youth homelessness and ending chronic homelessness. Family Promise provides a safe shelter program for families with children under the age of 18. Families transitioning out of homelessness into their shelter receive meals, transportation assistance, work force development, life skills, and case management that assists them with moving forward to find independence and rehousing stability. The Salvation Army provides crisis shelter services to men, women, and intact families as well as prevention and stabilization services.

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

ESG funds will be going towards five agencies that serve homeless persons: Family Promise, The Salvation Army, Montgomery County Youth Services, Catholic Charities, and HAAM. These agencies will perform ESG related outreach, shelter operation, homelessness prevention, rapid re-housing, HMIS and program administration activities.

Family Promise provides a safe shelter program for families with children under the age of 18. Families transitioning out of homelessness into their shelter receive meals, transportation assistance, work force development, life skills, and case management that assists them with moving forward to find independence and rehousing stability. The Salvation Army provides crisis shelter services to men, women, and intact families as well as prevention and stabilization services. Montgomery County Youth Services focuses on the homeless Youth ages 10-17 in the County. They provide youth and families who are homeless or at-risk of homelessness with emergency shelter and supportive services to increase progress toward preventing youth homelessness and ending chronic homelessness. Catholic Charities provides direct assistance and case management to individuals who are homeless or at-risk of homelessness with the goal of preventing homelessness, stabilizing client housing, and helping clients reach self-sufficiency. Humble Area Assistance Ministries (HAAM) provides homelessness prevention services to individuals as well as wraparound services such as food, access to education and employment services, and counseling and behavioral health services.

HOME funds will be set aside for the Walker-Montgomery County CHDO to continue the construction of affordable housing for the general low-income population. Through their Youth Build Program, the CHDO provides a job skills training program in addition to creating affordable housing units. HOME funds will also be allocated to Easter Seals to provide homebuyer's education and down payment assistance to low-income families, Montgomery County veterans, and people with disabilities in the Montgomery County area.

CDBG public services funds are awarded to Compassion United whose goal is to increase stabilization services to the homeless in Montgomery County through increases in education and training support, employment services, obtaining vital ID's, and connecting individuals to health and mental health services including help with transportation and connection to other resources.

Other public service activities funded by CDBG funds will support the needs of homeless individuals and families, as well as those at-risk of homelessness by providing services to County residents such as transportation, food, clothing, and financial assistance.

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.

Montgomery County will receive $2,854,565.00 in CDBG funding in FY 2024. These funds will be used for the administration of the CDBG Program, public services, and capital infrastructure projects. CDBG funds were allocated to three non-profits; Society of Samaritans, Society of St. Vincent de Paul, and Community Assistance Center who all provide emergency rent and utility assistance to avoid homelessness. Compassion United provides stabilization services to the homeless in Montgomery County through increases in education and training support, employment services, obtaining vital ID's, and connecting individuals to health and mental health services including help with transportation and connection to other resources. Keep Us Fed collects leftover food and other donated essentials and delivers them to local charities and non-profits, which serve the homeless, low-income families and individuals

The County will receive $670,649.00 in HOME funding in FY 2024. These funds will be used for the administration of the HOME Program, down payment assistance, housing rehabilitation, and CHDO set-aside.

The County will receive $236,723.00 in ESG funding in FY 2024. These funds will be used for ESG administration, emergency shelter operations, outreach, prevention, and rapid re-housing. ESG funds will be going towards five agencies that serve homeless persons: Family Promise, The Salvation Army,

Montgomery County Youth Services, Catholic Charities, and HAAM. Family Promise provides a safe shelter program for families with children under the age of 18. Families transitioning out of homelessness into their shelter receive meals, transportation assistance, work force development, life skills, and case management that assists them with moving forward to find independence and rehousing stability. The Salvation Army provides crisis shelter services to men, women, and intact families as well as prevention and stabilization services. Montgomery County Youth Services focuses on the homeless Youth ages 10-17 in the County. They provide youth and families who are homeless or at-risk of homelessness with emergency shelter and supportive services to increase progress toward preventing youth homelessness and ending chronic homelessness. Catholic Charities provides direct assistance and case management to individuals who are homeless or at-risk of homelessness with the goal of preventing homelessness, stabilizing client housing, and helping clients reach self-sufficiency. Humble Area Assistance Ministries (HAAM) provides homelessness prevention services to individuals as well as wraparound services such as food, access to education and employment services, and counseling and behavioral health services.

Discussion

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

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

Introduction

Montgomery County updated its Analysis of Impediments to Fair Housing Choice. This document analyzes a variety of data from Census data to local sources in conjunction with resident feedback gathered via an online residential survey in order to evaluate the County's actions to affirmatively further fair housing across Montgomery County.

A Fair Housing Liaison was appointed within the Grants and Community Development Department 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.

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

There is a lack of affordable housing for Montgomery County households earning 0%-50% AMI. While the County's housing authority does not operate public housing, the County will continue to aid in the development of more affordable housing through funding activities annually that develop and preserve affordable housing throughout the County. Funded projects include the addition of 1 affordable homeowner housing unit, 2 owner occupied housing rehab/reconstruction, and 22 homebuyer assistance.

Discussion:

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.

Affordable housing in Montgomery County is lacking greatly. There is a significant amount of 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. 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.

Transportation is a barrier that has not yet been conquered in Montgomery County. Residents who were surveyed during the preparation of our Consolidated Plan 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. During PY2023 the County purchased a transport vehicle and implemented a senior transportation program in Commissioner Precinct 3 using CDBG public service funding. The program has been highly successful and the County will be expanding those services to Commissioner Precinct 2 utilizing PY2024 CDBG public service funding. The County anticipates expanding

the services to all Precincts by the end of our 5-year Consolidated Plan. As the population in Montgomery County continues to increase, the lack of transportation resources within the County will only become a bigger impediment for those low-income citizens who have no mobility.

AP-85 Other Actions – 91.220(k)

Introduction

The County has established multiple goals and objectives to work on over the course of our 2023-2027 Consolidated Plan period. The activities to be undertaken further these goals and objectives.

Actions planned to address obstacles to meeting underserved needs

Montgomery County will use CDBG, HOME, and ESG funds to provide public services to residents. The following priority needs were identified in the 2023-2027 Consolidated Plan:

- Public Services
- Public Infrastructure Improvements
- Public Facility Improvements
- New Park Development and Improvements to Existing Parks
- Affordable Housing
- Planning and Administration
- Removal of Slum and Blight

Many of the County's public services are based in the City of Conroe but serve residents throughout the entire County. The County generally serves low-income and minority residents by funding non-profits serving the entire County, and by funding the development of new parks and community centers. Some examples of services that will be funded to meet underserved needs in the County are:

- Access Builds Children: Providing supervised visitation services, anger management, and parenting courses for families involved in MOCO Child Welfare System.
- Children's Safe Harbor: A clinical coordinator will provide mental health assessments and provide trauma informed individual, family, and group therapy for children that have experienced abuse.
- Keep Us Fed: Provides food to local charities that serve the homeless, low-income families, and individuals. They focus on recovery of perishable food items to prevent food waste and provide access to food for those who would otherwise go without.
- Meals on Wheels: Fosters the independence of the rural senior community of Montgomery County by providing ADA compliant transportation to critical appointments.
- Senior Transport Program: Montgomery County currently provides transportation services to elderly individuals within Pct 3. We will be expanding these services to Pct 2 during this program year.

The County will continue to collect information regarding the needs of underserved residents and address the most pressing concerns in the coming year.

Actions planned to foster and maintain affordable housing

The Community Development Internal Housing Rehabilitation Program will continue to take applications

and prioritize home repairs for the lowest income and most severe housing issues among applicants. The Community Development 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 continue to assist in making homes more affordable.

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 were previously revised to remove the restrictions that were in place prohibiting rehabilitation of houses built prior to 1978. The Down Payment Assistance guidelines have, also, been revised to allow for homes built prior to 1978 to be considered for purchase.

Actions planned to reduce the number of poverty-level families

In Montgomery County, 9.0% of adults aged 18-64 live below the poverty line. However, there are differences in the incidence of poverty by disability status. For those with a disability, 14.1% live below the poverty line as compared to 8.5% of those without a disability. Some examples of initiatives that will be taken to reduce the number of poverty-level families include:

- Funding non-profit 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 County will also support nonprofit service agencies whose life skills training activities are funded with other HUD funds, such as Youth Build.

- 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. During PY2023 the County purchased a transport vehicle and implemented a senior transportation program in Commissioner Pct 3 using CDBG funding. The program has been highly successful and the County will be expanding those services to Commissioner Pct 2 utilizing PY2024 CDBG funding. The County anticipates expanding the services to all Precincts by the end of our 5-year Consolidated Plan.

- Support construction of quality affordable housing throughout the county. Montgomery County will utilize CDBG, HOME, and ESG funding to maximize the number of households that are provided affordable housing through rental assistance (subsistence payments and homeless prevention programs), owner-occupied housing rehabilitation, and homebuyer assistance programs. Funding will continue to be provided to the Walker-Montgomery CHDO for the construction of affordable housing for the general low-income population as a method of teaching construction skills to residents.

- Continue to fund non-profits organization who provide services such as food, clothing, and emergency financial assistance to low-income residents of Montgomery County.

Actions planned to develop institutional structure

Montgomery County Grants and Community Development works with other County Departments, local governments, non-profit organizations, neighborhood groups, and interested individuals to develop the capacity of each of these groups to apply for, operate, or maintain programs and projects.

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

HOME funds go to a CHDO to build affordable housing, and to Easter Seals to increase the affordability of housing. ESG funds include a rapid re-housing component that connects families and individuals experiencing homelessness to permanent housing through a tailored package of assistance. Rapid rehousing programs help families and individuals living on the streets or in emergency shelters solve the practical and immediate challenges to obtaining permanent housing while reducing the amount of time they experience homelessness, avoiding a return to homelessness, and linking to community resources that enable them to achieve housing stability in the long-term.

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(l)(1,2,4)

Introduction:

Community Development operates almost exclusively on Federal funds. The County provides office space and budget for incidentals that are not eligible grant expenditures. Program income generated by subrecipients remains with them to be rolled back into the program which generated it. In house, the County rarely generates program income. When it occurs, the funds are returned back into the program that generated it and drawn on the next available HUD activity.

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(l)(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.	80.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)

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

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 Grants and 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 $12,600 in HOME funds and sold the home after four (4) years, $10,080 would be forgiven, and the homebuyer would reimburse Montgomery County the remaining $2,520. 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 $12,600 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 Grants and Community Development securing the deferred forgiveness loan.

No refinancing is allowed during the second lien period without Community Development consent, 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:

Recapture, per 24 CFR 92.254(a)(5)(ii), is triggered by any transfer of ownership, either voluntary or involuntary, during the established HOME period of affordability as outlined in the written agreement between the homebuyer and Montgomery County and enforced via lien on the property. The period of affordability is based upon the HOME subsidy to the homebuyer that enabled the homebuyer to purchase the unit.

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

Montgomery County does not plan to utilize HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

Not Applicable

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

Not Applicable

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

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 ESG Written Standards and HMIS Policies referenced in this section.

2. If the Continuum of Care has established centralized or coordinated assessment system that

meets HUD requirements, describe that centralized or coordinated assessment system.

The Coordinated Access System (CAS) utilizes a uniform and standardized assessment process, uniform guidelines and priorities for accessing homeless assistance, and referral policies and procedures to provide coordinated and strengthened access to housing for families and individuals who are homeless or at risk of homelessness. The Montgomery County Homeless Coalition serves as the coordinating entity, which is responsible for the daily administration of the CAS and manages the Continuum of Care (CoC). The Director of Grants and Community Development sits on the board of directors of the Houston Coalition for the Homeless. All subrecipients of Montgomery County ESG funds are required under contract to be a part of HMIS, which is the vehicle Houston uses to coordinate access. The HMIS policies and procedures have been included as an attachment.

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, generally in late January each year. Availability of applications are announced on the County website and social media accounts, in the newspaper 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 the Grants and Community Development staff and the Montgomery County Community Development (MCCD) 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 August. Montgomery County's Annual Plan is due August 16 of each year.

It is the standing policy of the County to fund agencies that provide prevention and rapid re-housing and a shelter that serves the adult population and a shelter that 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.

Montgomery County consulted with the leaders of several agencies to discuss needs of the clientele the agencies are routinely seeing. Every non-profit funded through ESG has a homeless or formerly homeless individual in a position to make recommendation on policies and services funded under ESG.

5. Describe performance standards for evaluating ESG.

Montgomery County enters into agreements with all subrecipients prior to project implementation and expenditure of funds. The agreement will provide the basis for all expenditures, monitoring of project production, timeliness, and compliance. In addition to outlining the basic standards and regulations in effect for the particular funding source, the agreement will set forth responsibilities and procedures for each party, establish performance and product measures, and specify monitoring review schedules and compliance terms. The agreement ensures that the program is implemented and completed in a time and cost effective manner, and in accordance with all applicable statutory requirements. As the program regulations change, the County will update policies and procedures as appropriate the program is operating within compliance.

Montgomery County Grants and Community Development will continue to partner with the Houston Coalition for the Homeless and other ESG grantees within the CoC to prioritize affordable housing, rapid re-housing and to prevent homelessness.

#3 9/4

AUG 13 2024

OMB Number: 4040-0004

Expiration Date: 11/30/2025

Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
☐ Preapplication	☒ New	
☒ Application	☐ Continuation	* Other (Specify):
☐ Changed/Corrected Application	☐ Revision	

* 3. Date Received:	4. Applicant Identifier:
08/13/2024	B-24-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):	* c. UEI:
746000558	DR3UM2VRE4D7

d. Address:

* Street1:	501 N. Thompson St.
Street2:	Suite 200
* City:	Conroe
County/Parish:	
* State:	TX: Texas
Province:	
* Country:	USA: UNITED STATES
* Zip / Postal Code:	77301-2500

e. Organizational Unit:

Department Name:	Division Name:
Grants & Community Development	CDBG

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

Prefix:	Mrs.	* First Name:	Rebecca
Middle Name:			
* Last Name:	Ansley		
Suffix:			

Title:	Director-Grants & Community Development
Organizational Affiliation:	

* Telephone Number:	936-538-5594	Fax Number:	
* Email:	Rebecca.Ansley@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:**

* Title:

2024 Community Development Block Grant

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:**

2024 Community Development Block Grant

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: 10/01/2024 * b. End Date: 09/30/2025

18. Estimated Funding ($):

* a. Federal	2,854,565.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	2,854,565.00

*** 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 18, 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:	J.
* Last Name:	Keough
Suffix:	
* Title:	Montgomery County Judge
* Telephone Number:	936-539-7812
Fax Number:	
* Email:	COJUDGE@MCTX.ORG
* Signature of Authorized Representative:	Mark Keough
* Date Signed:	08/13/2024

OMB Number: 4040-0007
Expiration Date: 02/28/2025

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

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 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 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.

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.

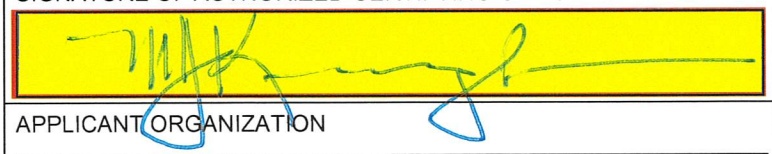
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

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
	County Judge
APPLICANT ORGANIZATION	DATE SUBMITTED
Montgomery County, Texas	08/13/2024

Standard Form 424B (Rev. 7-97) Back

#2 QR3 Aug 27, 2024

View Burden Statement

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2025

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

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 statue(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statue(s) which may apply to the application.

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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.

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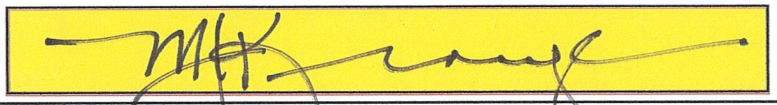
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17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and 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
	County Judge
APPLICANT ORGANIZATION	DATE SUBMITTED
Montgomery County, Texas	8/27/24

Applicant and Recipient Assurances and Certifications

U.S. Department of Housing and Urban Development

OMB Number: 2501-0017
Expiration Date: 01/31/2026

Instructions for the HUD-424-B Assurances and Certifications

As part of your application for HUD funding, you, as the official authorized to sign on behalf of your organization or as an individual, must provide the following assurances and certifications, which replace any requirement to submit an SF-424-B or SF-424-D. The Responsible Civil Rights Official has specified this form for use for purposes of general compliance with 24 CFR §§ 1.5, 3.115, 8.50, and 146.25, as applicable. The Responsible Civil Rights Official may require specific civil rights assurances to be furnished consistent with those authorities and will specify the form on which such assurances must be made. A failure to furnish or comply with the civil rights assurances contained in this form may result in the procedures to effect compliance at 24 CFR §§ 1.8, 3.115, 8.57, or 146.39.

By submitting this form, you are stating that all assertions made in this form are true, accurate, and correct.

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

*Authorized Representative Name:

Prefix: Mr. *First Name: Mark

Middle Name: J.

*Last Name: Keough

Suffix:

*Title: County Judge

*Applicant Organization: Montgomery County, Texas

1. Has the legal authority to apply for Federal assistance, has the institutional, managerial and financial capability (including funds to pay the non-Federal share of program costs) to plan, manage and complete the program as described in the application and the governing body has duly authorized the submission of the application, including these assurances and certifications, and authorized me as the official representative of the application to act in connection with the application and to provide any additional information as may be required.

2. Will administer the grant in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C 2000(d)) and implementing regulations (24 CFR part 1), which provide that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any program or activity that receives Federal financial assistance OR if the applicant is a Federally recognized Indian tribe or its tribally designated housing entity, is subject to the Indian Civil Rights Act (25 U.S.C. 1301-1303).

3. Will administer the grant in compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and implementing regulations at 24 CFR part 8, the American Disabilities Act (42 U.S.C. §§ 12101 et.seq.), and implementing regulations at 28 CFR part 35 or 36, as applicable, and the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) as amended, and implementing regulations at 24 CFR part 146 which together provide that no person in the United States shall, on the grounds of disability or age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance; except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

4. Will comply with the Fair Housing Act (42 U.S.C. 3601-19), as amended, and the implementing regulations at 24 CFR part 100, which prohibit discrimination in housing on the basis of race, color, religion sex (including gender identity and sexual orientation), disability, familial status, or national origin and will affirmatively further fair housing; except an applicant which is an Indian tribe or its instrumentality which is excluded by statute from coverage does not make this certification; and further except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

5. Will comply with all applicable Federal nondiscrimination requirements, including those listed at 24 CFR §§ 5.105(a) and 5.106 as applicable.

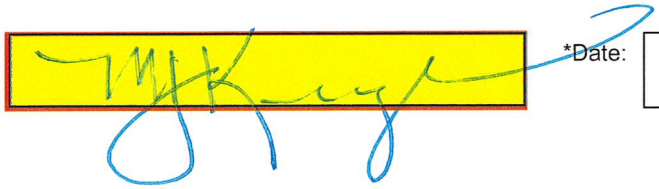
6. Will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601) and implementing regulations at 49 CFR part 24 and, as applicable, Section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(d)) and implementing regulations at 24 CFR part 42, subpart A.

7. Will comply with the environmental requirements of the National Environmental Policy Act (42 U.S.C. 4321 et.seq.) and related Federal authorities prior to the commitment or expenditure of funds for property.

8. That no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all subawards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly. Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage by the Byrd Amendment, but State-recognized Indian tribes and TDHs established under State law are not excluded from the statute's coverage.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.

WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802).

*Signature: 

*Date: 08/13/2024

OMB Number: 4040-0013
Expiration Date: 02/28/2025

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, Texas

* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Prefix: Mr. * First Name: Mark Middle Name: J.

* Last Name: Keough Suffix:

* Title: County Judge

* SIGNATURE: [signature] * DATE: 08/13/2024

OMB Number: 4040-0004
Expiration Date: 11/30/2025

Application for Federal Assistance SF-424

* 1. Type of Submission:
- [ ] Preapplication
- [x] Application
- [ ] Changed/Corrected Application

* 2. Type of Application:
- [x] New
- [ ] Continuation
- [ ] Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received: 08/13/2024

4. Applicant Identifier: M-24-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. UEI: DR3UM2VRE4D7

d. Address:

* Street1: 501 N. Thompson St.
Street2: Suite 200
* City: Conroe
County/Parish:
* State: TX: Texas
Province:
* Country: USA: UNITED STATES
* Zip / Postal Code: 77301-2500

e. Organizational Unit:

Department Name: Grants & Community Development

Division Name: HOME

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

Prefix: Mrs. * First Name: Rebecca
Middle Name:
* Last Name: Ansley
Suffix:

Title: Director-Grants & Community Development

Organizational Affiliation:

* Telephone Number: 936-538-5594 Fax Number:

* Email: Rebecca.Ansley@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:**

* Title:

2024 HOME Investment Partnership Program

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:**

2024 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

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 10/01/2024 * b. End Date: 09/30/2025

18. Estimated Funding ($):

* a. Federal	670,649.19
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	670,649.19

*** 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 18, 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:	J.
* Last Name:	Keough
Suffix:	
* Title:	Montgomery County Judge
* Telephone Number:	936-539-7812
Fax Number:	
* Email:	COJUDGE@MCTX.ORG
* Signature of Authorized Representative:	
* Date Signed:	08/13/2024

OMB Number: 4040-0007
Expiration Date: 02/28/2025

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

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 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 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.

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
[signature]	County Judge
APPLICANT ORGANIZATION	DATE SUBMITTED
Montgomery County, Texas	08/13/2024

Standard Form 424B (Rev. 7-97) Back

#2 QR3 Aug 27, 2024

View Burden Statement

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2025

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

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 statue(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statue(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).

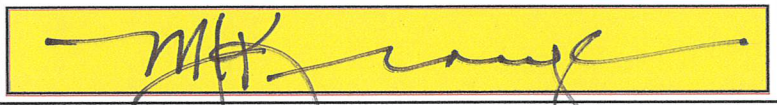
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

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
	County Judge
APPLICANT ORGANIZATION	DATE SUBMITTED
Montgomery County, Texas	8/27/24

9/4

Applicant and Recipient Assurances and Certifications

U.S. Department of Housing and Urban Development

OMB Number: 2501-0017
Expiration Date: 01/31/2026

Instructions for the HUD-424-B Assurances and Certifications

As part of your application for HUD funding, you, as the official authorized to sign on behalf of your organization or as an individual, must provide the following assurances and certifications, which replace any requirement to submit an SF-424-B or SF-424-D. The Responsible Civil Rights Official has specified this form for use for purposes of general compliance with 24 CFR §§ 1.5, 3.115, 8.50, and 146.25, as applicable. The Responsible Civil Rights Official may require specific civil rights assurances to be furnished consistent with those authorities and will specify the form on which such assurances must be made. A failure to furnish or comply with the civil rights assurances contained in this form may result in the procedures to effect compliance at 24 CFR §§ 1.8, 3.115, 8.57, or 146.39.

By submitting this form, you are stating that all assertions made in this form are true, accurate, and correct.

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

*Authorized Representative Name:

Prefix: Mr. *First Name: Mark

Middle Name: J.

*Last Name: Keough

Suffix:

*Title: County Judge

*Applicant Organization: Montgomery County, Texas

1. Has the legal authority to apply for Federal assistance, has the institutional, managerial and financial capability (including funds to pay the non-Federal share of program costs) to plan, manage and complete the program as described in the application and the governing body has duly authorized the submission of the application, including these assurances and certifications, and authorized me as the official representative of the application to act in connection with the application and to provide any additional information as may be required.

2. Will administer the grant in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C 2000(d)) and implementing regulations (24 CFR part 1), which provide that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any program or activity that receives Federal financial assistance OR if the applicant is a Federally recognized Indian tribe or its tribally designated housing entity, is subject to the Indian Civil Rights Act (25 U.S.C. 1301-1303).

3. Will administer the grant in compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and implementing regulations at 24 CFR part 8, the American Disabilities Act (42 U.S.C. §§ 12101 et.seq.), and implementing regulations at 28 CFR part 35 or 36, as applicable, and the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) as amended, and implementing regulations at 24 CFR part 146 which together provide that no person in the United States shall, on the grounds of disability or age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance; except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

4. Will comply with the Fair Housing Act (42 U.S.C. 3601-19), as amended, and the implementing regulations at 24 CFR part 100, which prohibit discrimination in housing on the basis of race, color, religion sex (including gender identity and sexual orientation), disability, familial status, or national origin and will affirmatively further fair housing; except an applicant which is an Indian tribe or its instrumentality which is excluded by statute from coverage does not make this certification; and further except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

5. Will comply with all applicable Federal nondiscrimination requirements, including those listed at 24 CFR §§ 5.105(a) and 5.106 as applicable.

6. 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) and implementing regulations at 49 CFR part 24 and, as applicable, Section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(d)) and implementing regulations at 24 CFR part 42, subpart A.

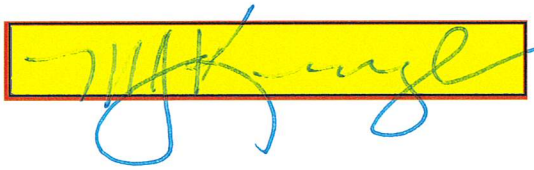
7. Will comply with the environmental requirements of the National Environmental Policy Act (42 U.S.C. 4321 et.seq.) and related Federal authorities prior to the commitment or expenditure of funds for property.

8. That no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all subawards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly. Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage by the Byrd Amendment, but State-recognized Indian tribes and TDHs established under State law are not excluded from the statute's coverage.

9/4

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.

WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802).

*Signature: 

*Date: 08/13/2024

OMB Number: 4040-0013
Expiration Date: 02/28/2025

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

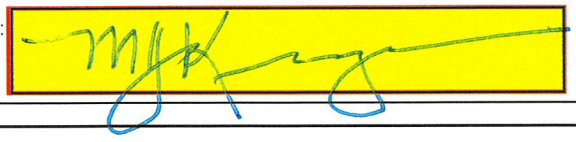
Montgomery County, Texas

* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Prefix: Mr. * First Name: Mark Middle Name: J.

* Last Name: Keough Suffix:

* Title: County Judge

* SIGNATURE:  * DATE: 08/13/2024

OMB Number: 4040-0004
Expiration Date: 11/30/2025

Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
☐ Preapplication	☒ New	
☒ Application	☐ Continuation	* Other (Specify):
☐ Changed/Corrected Application	☐ Revision	

* 3. Date Received:	4. Applicant Identifier:
08/13/2024	E-24-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. UEI:	DR3UM2VRE4D7

d. Address:

* Street1:	501 N. Thompson St.
Street2:	Suite 200
* City:	Conroe
County/Parish:	
* State:	TX: Texas
Province:	
* Country:	USA: UNITED STATES
* Zip / Postal Code:	77301-2500

e. Organizational Unit:

Department Name:	Division Name:
Grants & Community Development	HESG

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

Prefix:	Mrs.	* First Name:	Rebecca
Middle Name:			
* Last Name:	Ansley		
Suffix:			

Title:	Director-Grants & Community Development
Organizational Affiliation:	
* Telephone Number:	936-538-5594
Fax Number:	
* Email:	Rebecca.Ansley@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:

Emergency Solutions Grant Program

*** 12. Funding Opportunity Number:**

* Title:

2024 Homeless Emergency Solutions Grant Program

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:**

2024 Homeless Emergency 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: 10/01/2024 * b. End Date: 09/30/2025

18. Estimated Funding ($):

* a. Federal	236,723.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	236,723.00

*** 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 18, 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: J.

* Last Name: Keough

Suffix:

* Title: Montgomery County Judge

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

* Email: COJUDGE@MCTX.ORG

* Signature of Authorized Representative: [signature] * Date Signed: 08/13/2024

OMB Number: 4040-0007
Expiration Date: 02/28/2025

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

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 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 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.

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
[signature]	County Judge
APPLICANT ORGANIZATION	DATE SUBMITTED
Montgomery County, Texas	08/13/2024

Standard Form 424B (Rev. 7-97) Back

#2 QR3 Aug 27, 2024

View Burden Statement

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2025

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

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 statue(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statue(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.

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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).

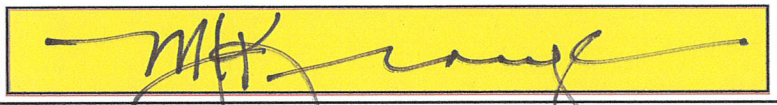
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17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and 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
	County Judge
APPLICANT ORGANIZATION	DATE SUBMITTED
Montgomery County, Texas	8/27/24

Applicant and Recipient Assurances and Certifications

U.S. Department of Housing and Urban Development

OMB Number: 2501-0017
Expiration Date: 01/31/2026

Instructions for the HUD-424-B Assurances and Certifications

As part of your application for HUD funding, you, as the official authorized to sign on behalf of your organization or as an individual, must provide the following assurances and certifications, which replace any requirement to submit an SF-424-B or SF-424-D. The Responsible Civil Rights Official has specified this form for use for purposes of general compliance with 24 CFR §§ 1.5, 3.115, 8.50, and 146.25, as applicable. The Responsible Civil Rights Official may require specific civil rights assurances to be furnished consistent with those authorities and will specify the form on which such assurances must be made. A failure to furnish or comply with the civil rights assurances contained in this form may result in the procedures to effect compliance at 24 CFR §§ 1.8, 3.115, 8.57, or 146.39.

By submitting this form, you are stating that all assertions made in this form are true, accurate, and correct.

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

*Authorized Representative Name:

Prefix:	Mr.	*First Name:	Mark
Middle Name:	J.		
*Last Name:	Keough		
Suffix:			

*Title: County Judge

*Applicant Organization: Montgomery County, Texas

1. Has the legal authority to apply for Federal assistance, has the institutional, managerial and financial capability (including funds to pay the non-Federal share of program costs) to plan, manage and complete the program as described in the application and the governing body has duly authorized the submission of the application, including these assurances and certifications, and authorized me as the official representative of the application to act in connection with the application and to provide any additional information as may be required.

2. Will administer the grant in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C 2000(d)) and implementing regulations (24 CFR part 1), which provide that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any program or activity that receives Federal financial assistance OR if the applicant is a Federally recognized Indian tribe or its tribally designated housing entity, is subject to the Indian Civil Rights Act (25 U.S.C. 1301-1303).

3. Will administer the grant in compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and implementing regulations at 24 CFR part 8, the American Disabilities Act (42 U.S.C. §§ 12101 et.seq.), and implementing regulations at 28 CFR part 35 or 36, as applicable, and the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) as amended, and implementing regulations at 24 CFR part 146 which together provide that no person in the United States shall, on the grounds of disability or age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance; except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

4. Will comply with the Fair Housing Act (42 U.S.C. 3601-19), as amended, and the implementing regulations at 24 CFR part 100, which prohibit discrimination in housing on the basis of race, color, religion sex (including gender identity and sexual orientation), disability, familial status, or national origin and will affirmatively further fair housing; except an applicant which is an Indian tribe or its instrumentality which is excluded by statute from coverage does not make this certification; and further except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

5. Will comply with all applicable Federal nondiscrimination requirements, including those listed at 24 CFR §§ 5.105(a) and 5.106 as applicable.

6. 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) and implementing regulations at 49 CFR part 24 and, as applicable, Section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(d)) and implementing regulations at 24 CFR part 42, subpart A.

7. Will comply with the environmental requirements of the National Environmental Policy Act (42 U.S.C. 4321 et.seq.) and related Federal authorities prior to the commitment or expenditure of funds for property.

8. That no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all subawards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly. Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage by the Byrd Amendment, but State-recognized Indian tribes and TDHs established under State law are not excluded from the statute's coverage.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.

WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802).

*Signature: 

*Date: 08/13/2024

OMB Number: 4040-0013
Expiration Date: 02/28/2025

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, Texas

* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Prefix: Mr. * First Name: Mark Middle Name: J.

* Last Name: Keough Suffix:

* Title: County Judge

* SIGNATURE: [signature] * DATE: 08/13/2024

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 75.

Signature of Authorized Official

8.13.2024
Date

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 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) 2024 [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

8.13.2024
Date

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

8.13.2024
Date

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

8.13.2024
Date

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

8.13.2024
Date

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

8.13.2024
Date

County Judge
Title

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.

PY 2024 CITIZENS PARTICIPATION SUMMARY

DESCRIPTION	POSTING LOCATION							PUBLIC HEARING LOCATON	DATE
	NEWSPAPER	EMAIL	WEBSITE	SOCIAL MEDIA	INNER-OFFICE	LIBRARIES	COMMUNITY CENTERS		
NEEDS ASSESSMENT PUBLIC MEETING NOTICE (ENGLISH & SPANISH)	X				X				MARCH 31, 2024
FIRST GRANT PRESENTATION PUBLIC HEARING								Com Court Room	APRIL 16, 2024
SECOND GRANT PRESENTATION PUBLIC HEARING								Com Court Room	APRIL 17, 2024
THIRD GRANT PRESENTATION PUBLIC HEARING								Com Court Room	APRIL 18, 2024
PY 2024 ALLOCATIONS ADVISORY COMMITTEE MEETING								MCCD OFFICE	MAY 14, 2024
PY24 ANNUAL ACTION PLAN PUBLIC COMMENT & MEETING NOTICE	X								JUNE 21, 2024
PY24 ANNUAL ACTION PLAN PUBLIC COMMENT & MEETING NOTICE				X					JUNE 26, 2024
BEGINNING OF 30 DAY COMMENT PERIOD									JULY 1, 2024
COMPLETE DRAFT OF PY24 ANNUAL ACTION PLAN/SUMMARY									JULY 1, 2024
PY24 ANNUAL ACTION PLAN PUBLIC MEETING NOTICE			X	X		X	X		JULY 2, 2024
PY24 ANNUAL ACTION PLAN DRAFT NOTICE			X			X	X		JULY 2, 2024
PY24 AAP FINAL PUBLIC HEARING								Com Court Room	JULY 15, 2024
END OF 30 DAY COMMENT PERIOD									JULY 31, 2024
PY24 AAP ON COMMISSIONERS COURT AGENDA								Com Court Room	AUGUST 13, 2024

Montgomery County
Grants & Community
DEVELOPMENT

PUBLIC NOTICE:
MONTGOMERY COUNTY GRANTS & COMMUNITY DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT BLOCK GRANT,
HOME INVESTMENT PARTNERSHIPS PROGRAM and
EMERGENCY SOLUTIONS GRANT
PUBLIC HEARINGS SCHEDULED FOR GY24 FY25
NEEDS ASSESSMENT, HOUSING PROJECTS, HOMELESSNESS PROJECTS, AND INTERESTED PARTIES

The Montgomery County Grants and Community Development Department, pursuant to the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant Program (ESG), 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 16, 2024, Wednesday, April 17, 2024 and Thursday, April 18, 2024 at 5:30 PM at 501 N. Thompson Street Conroe, Texas – 4TH Floor Commissioners Courtroom.

The Community Development Citizens Advisory Committee and the public will hear oral presentations from potential grant Subrecipients who have timely submitted their grant proposals and are eligible grant applicants seeking to receive CDBG, HOME or ESG funds for the GY24 FY25 grant cycle. The GY24 FY25 grant cycle covers the time period October 01, 2024 through September 30, 2025.

Applicants must appear at a public meeting 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 3:30 PM on Monday, April 1, 2024. Only qualified grant applicants are eligible to receive funding.

The public is encouraged to attend the public hearings and/or submit written comments to Rebecca Ansley, Director of Community Development, 501 N. Thompson, Suite 200, Conroe, Texas 77301, or by email to; CDBG.MCTX@MCTX.ORG.

FUNDS AVAILABLE:
The Montgomery County Grants and Community Development Department, pursuant to The U. S. Department of Housing and Urban Development (HUD) guidelines, prepared and filed in August 2023, Montgomery County's current Community Development and Housing Consolidated Five-Year Plan. At this time, Montgomery County is preparing the GY24 FY25 Consolidated Action Plan. The amount of CDBG, HOME, and ESG funds that

Montgomery County will receive directly from the U.S. Department of Housing and Urban Development (HUD) for GY24, FY25 has not been published at this time, but is estimated to be as follows:

CDBG:	$ 2,693,414
HOME:	$ 777,034
HESG:	$ 223,763

The anticipated amounts are subject to Congressional funding of the program and will ultimately be consistent with the federal appropriation when approved by Congress.

FUNDS USAGE:
The national objective of the CDBG program is to develop viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities for low and moderate-income residents. No less than 70 percent of CDBG funds will be used for activities that principally benefit low-income persons. The following types of activities may be eligible for funding under the CDBG program: acquisition of property, disposition costs, improvements to public facilities, demolition and environmental cleanup, rehabilitation of houses, program administration, public services serving LMI individuals or other priority groups, and other miscellaneous activities. No more than 15% of CDBG funds may be allocated to Public Services.

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. The following types of activities may be eligible for funding under the HOME program: CHDO set-aside, down payment assistance for first time homebuyers, housing rehabilitation, tenant based rental assistance, transitional housing, housing for those with disabilities and special needs, housing development, and new construction of housing. The housing must be permanent or transitional, and must adhere to all Federal Fair Housing laws.

The HEARTH Emergency Solutions Grant Program (HESG) funds may be used for five program components: emergency shelter, homelessness prevention, rapid re-housing, street outreach, data collection, and administrative services.

Persons wishing to view the 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 /departments/departments_a_-_c/community_development/action_plans

The Montgomery County will make reasonable accommodations and services necessary for sensory-impaired and disabled citizens at the public meeting. Additionally, translation services may be offered upon request and availability. Persons requiring such accommodations/services should contact the County's Department of Community Development at least five working days in advance of the meeting at CDBG.MCTX@MCTX.ORG or 936-538-8060.

Montgomery County supports equal and fair housing and employment opportunities.

HC MEDIA GROUP
HEARST corporation

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:

MONTG COUNTY COMM DEVELOP 0034326750 HOUC015760323
RAN A LEGAL NOTICE
SIZE BEING: 3 x15.50 l (46.50l)

Product	Date	Class	Page
HCN Conroe Courier	Mar 31 2024	Legal Notices	A 12
HCN Conroe Courier	Mar 31 2024	Legal Notices	A 12
HCN Conroe Courier	Mar 31 2024	Legal Notices	A 12
HCN Conroe Courier	Mar 31 2024	Legal Notices	A 12

Victoria Bond
NEWSPAPER REPRESENTATIVE

Sworn and subscribed to before me, this 31st Day of March A.D. 2024

TAMIKA PERRY
Notary Public, State of Texas
Comm. Expires 05-05-2027
Notary ID 134344618

Notary Public in and for the State of Texas

Montgomery County Grants & Community DEVELOPMENT

PUBLIC NOTICE:

MONTGOMERY COUNTY GRANTS & COMMUNITY DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIPS PROGRAM and EMERGENCY SOLUTIONS GRANT PUBLIC HEARINGS SCHEDULED FOR GY24 FY25 NEEDS ASSESSMENT, HOUSING PROJECTS, HOMELESSNESS PROJECTS, AND INTERESTED PARTIES

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Montgomery County supports equal and fair housing and employment opportunities.

Montgomery County Grants & Community DEVELOPMENT

AVISO PÚBLICO:

DEPARTAMENTO DE SUBVENCIONES Y DESARROLLO

DEPARTAMENTO DE DESARROLLO

SUBVENCIÓN EN BLOQUE PARA EL DESARROLLO COMUNITARIO, PROGRAMA DE ASOCIACIÓN PARA LA INVERSIÓN EN VIVIENDA y

SUBVENCIÓN PARA SOLUCIONES DE EMERGENCIA

AUDIENCIAS PÚBLICAS PROGRAMADAS PARA EL AÑO FISCAL 24 Y EL AÑO FISCAL 25

EVALUACIÓN DE NECESIDADES, PROYECTOS DE VIVIENDA, PROYECTOS PARA PERSONAS SIN HOGAR Y PARTES INTERESADAS

El Departamento de Subvenciones y Desarrollo Comunitario del Condado de Montgomery, de conformidad con la Subvención en Bloque para el Desarrollo Comunitario (CDBG, por sus siglas en inglés), el Programa de Asociaciones para la Inversión en el Hogar (HOME, por sus siglas en inglés) y el Programa de Subvenciones para Soluciones de Emergencia (ESG, por sus siglas en inglés), y las pautas del Departamento de Vivienda y Desarrollo Urbano de los EE. UU., celebrará audiencias públicas para la evaluación de necesidades y presentaciones de proyectos de vivienda y personas sin hogar el martes 16 de abril de 2024, el miércoles 17 de abril de 2024 y el jueves 18 de abril de 2024 a las 5:30 p.m. en 501 N. Thompson Street Conroe, Texas - Sala de Comisionados del 4.º piso.

El Comité Consultivo de Ciudadanos para el Desarrollo de la Comunidad y el publico escucharan presentaciones orales de los Subrecentores potenciales de subvenciones que han presentado a tiempo sus propuestas de

orales de los subreceptores potenciales de subvenciones que han presentado a tiempo sus propuestas de subvenciones y son solicitantes de subvenciones elegibles que buscan recibir fondos CDBG, HOME o ESG para el ciclo de subvenciones GY24 FY25. El ciclo de subvenciones GY24 FY25 abarca el período comprendido entre el 1 de octubre de 2024 y el 30 de septiembre de 2025.

Los solicitantes deben comparecer en una reunión pública y hacer una presentación pública para recibir CDBG, HOME o ESG fondos de subvención. Las solicitudes de subvención deben presentarse en la Oficina de Subvenciones y Desarrollo Comunitario ubicada en 501 N. Thompson, Suite 200 Conroe, Texas 77301 antes de las 3:30 PM del lunes, 1 de abril de 2024. Solo los solicitantes calificados son elegibles para recibir fondos.

Se anima al público a asistir a las audiencias públicas y / o presentar comentarios por escrito a Rebecca Ansley, Directora de Desarrollo Comunitario, 501 N. Thompson, Suite 200, Conroe, Texas 77301, o por correo electrónico a; CDBG.MCTX@MCTX.ORG.

FONDOS DISPONIBLES:
El Departamento de Subvenciones y Desarrollo Comunitario del Condado de Montgomery, de conformidad con las directrices del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD), preparó y presentó en agosto de 2023 el actual Plan Quinquenal Consolidado de Vivienda y Desarrollo Comunitario del Condado de Montgomery. En este momento, el condado de Montgomery está preparando el Plan de Acción Consolidado Quinquenal del año fiscal 24. El monto de los fondos CDBG, HOME y ESG que el Condado de Montgomery recibirá directamente del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD, por sus siglas en inglés) para el GY24, FY25 no se ha publicado en este momento, pero se estima que será el siguiente:

CDBG: $ 2,693,414
HOGAR: $ 777,034
HESG: $ 223,763

Los montos previstos están sujetos a la financiación del programa por parte del Congreso y, en última instancia, se ajustarán a la asignación federal cuando ésta sea aprobada por el Congreso.

USO DE LOS FONDOS:

El objetivo nacional del programa CDBG es desarrollar comunidades urbanas viables proporcionando viviendas decentes, un entorno de vida adecuado y ampliando las oportunidades económicas para los residentes de ingresos bajos y moderados. No menos del 70 por ciento de los fondos CDBG se utilizarán para actividades que beneficien principalmente a personas de bajos ingresos. Los siguientes tipos de actividades pueden ser elegibles para financiamiento bajo el programa CDBG: adquisición de propiedades, costos de disposición, mejoras a las instalaciones públicas, demolición y limpieza ambiental, rehabilitación de viviendas, administración del programa, servicios públicos que atienden a individuos LMI u otros grupos prioritarios, y otras actividades misceláneas. No se puede asignar más del 15% de los fondos CDBG a Servicios Públicos.

En general, los propósitos del Programa HOME son fortalecer las asociaciones público-privadas y ampliar la oferta de viviendas decentes, seguras, sanitarias y asequibles, para familias de muy bajos ingresos y de bajos ingresos. Los fondos HOME pueden utilizarse de muchas maneras para atender las necesidades de vivienda de los ciudadanos de bajos ingresos. Los siguientes tipos de actividades pueden ser elegibles para la financiación en el marco del programa HOME: CHDO set-aside, ayuda al pago inicial para compradores de vivienda por primera vez, rehabilitación de viviendas, ayuda al alquiler basada en el inquilino, viviendas de transición, viviendas para personas con discapacidad y necesidades especiales, desarrollo de viviendas y nueva construcción de viviendas. La vivienda debe ser permanente o de transición, y debe cumplir todas las leyes federales de vivienda justa.

Los fondos del Programa de Subvenciones para Soluciones de Emergencia HEARTH (HESG, por sus siglas en inglés) pueden utilizarse para cinco componentes del programa: alojamiento de emergencia, prevención de la falta de vivienda, realojamiento rápido, divulgación en la calle, recopilación de datos y servicios administrativos.

Las personas que deseen ver el Plan Quinquenal Consolidado, los Planes de Acción, o los Informes Anuales de Rendimiento y Evaluación, pueden hacerlo en cualquiera de las bibliotecas del Condado, o en línea en: www.mctx.org/departments/departments_a_-_c/community_development/action_plans

El Condado de Montgomery realizará las adaptaciones y servicios razonables necesarios para los ciudadanos con deficiencias sensoriales y discapacitados en la reunión pública. Además, podrán ofrecerse servicios de traducción previa solicitud y disponibilidad. Las personas que requieran tales adaptaciones/servicios deberán ponerse en contacto con el Departamento de Subvenciones y Desarrollo Comunitario del Condado al menos cinco días hábiles antes de la reunión en CDBG.MCTX@MCTX.ORG o en el 936-538-8060.

El Condado de Montgomery apoya la igualdad de oportunidades en materia de vivienda y empleo.

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NOTICE OF PUBLIC HEARING

A public hearing will be held by the City of Shenandoah Planning and Zoning Commission on Tuesday, April 16, 2024 and May 21, 2024 at 6:00 p.m. at the Shenandoah Municipal Complex, 29955 I-45 North, Shenandoah, Texas, 77381, for the purpose of receiving citizen input on an application for Special Use Permit for a Wine and Malt Beverage Retailer's Permit for Woodlands Hl Hotel, LLC (known as Hampton Inn and Suites) located at 18200 IH 45, Shenandoah, Texas the following items:
1. Preliminary report and Public Hearing regarding proposed Special Use Permit for a Wine and Malt Beverage Retailer's Permit.
All persons interested in the public hearing and wishing to be heard by the Planning and Zoning Commission are hereby notified of said public hearing. Information regarding the proposed item may be examined during office hours, Monday - Friday 8:00 a.m. to 5:00 p.m. or at the City's website at www.shenandoahtx.us.
Given under my hand and seal of office, Shenandoah, Texas, this the 20th day of March, 2024.
/s/Courtney Clary, City Secretary

NOTICE OF PUBLIC HEARING

A public hearing will be held by the City of Shenandoah City Council on Wednesday, May 22, 2024 beginning at 7:00 p.m. at the Shenandoah Municipal Complex, 29955 I-45 North, Shenandoah, Texas, 77381, for the purpose of receiving citizen input on an application for Special Use Permit for a Wine and Malt Beverage Retailer's Permit for Woodlands Hl Hotel, LLC (known as Hampton Inn and Suites) located at 18200 IH 45, Shenandoah, Texas the following items:
1. Final Report and Public hearing regarding proposed Special Use Permit for a Wine and Malt Beverage Retailer's Permit
All persons interested in the public hearing and wishing to be heard by City Council are hereby notified of said public hearing. Information regarding the proposed item may be examined during office hours, Monday - Friday 8:00 a.m. to 5:00 p.m. or at the City's website at www.shenandoahtx.us.
Given under my hand and seal of office, Shenandoah, Texas, this the 20th day of March, 2024.
/s/Courtney Clary, City Secretary

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Montgomery County Grants & Community DEVELOPMENT

PUBLIC NOTICE:
MONTGOMERY COUNTY GRANTS & COMMUNITY DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIPS PROGRAM and EMERGENCY SOLUTIONS GRANT PUBLIC HEARINGS SCHEDULED FOR GY24 FY25 NEEDS ASSESSMENT, HOUSING PROJECTS, HOMELESSNESS PROJECTS, AND INTERESTED PARTIES

The Montgomery County Grants and Community Development Department, pursuant to the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant Program (ESG), 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 16, 2024, Wednesday, April 17, 2024 and Thursday, April 18, 2024 at 5:30 PM at 501 N. Thompson Street Conroe, Texas – 4TH Floor Commissioners Courtroom.

The Community Development Citizens Advisory Committee and the public will hear oral presentations from potential grant Subrecipients who have timely submitted these grant proposals and are eligible grant applicants seeking to receive CDBG, HOME or ESG funds for the GY24 FY25 grant cycle. The GY24 FY25 grant cycle covers the time period October 01, 2024 through September 30, 2025.

Applicants must appear at a public meeting 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 300 Conroe, Texas 77301 before 3:30 PM on Monday, April 1, 2024. Only qualified grant applicants are eligible to receive funding.

The public is encouraged to attend the public hearings and/or submit written comments to Rebecca Ansley, Director of Community Development, 501 N. Thompson, Suite 300, Conroe, Texas 77301, or by email to: CDBG.MCTX@MCTX.ORG.

FUNDS AVAILABLE:
The Montgomery County Grants and Community Development Department, pursuant to The U. S. Department of Housing and Urban Development (HUD) guidelines, prepared and filed in August 2023, Montgomery County's current Community Development and Housing Consolidated Five-Year Plan. At this time, Montgomery County is preparing the GY24 FY25 Consolidated Action Plan. The amount of CDBG, HOME, and ESG funds that Montgomery County will receive directly from the U.S. Department of Housing and Urban Development (HUD) for GY24, FY25 has not been published at this time, but is estimated to be as follows:

CDBG: $ 2,693,414
HOME: $ 777,034
HESG: $ 223,763

The anticipated amounts are subject to Congressional funding of the program and will ultimately be consistent with the federal appropriation when approved by Congress.

FUNDS USAGE:
The national objective of the CDBG program is to develop viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities for low and moderate-income residents. No less than 70 percent of CDBG funds will be used for activities that principally benefit low-income persons. The following types of activities may be eligible for funding under the CDBG program: acquisition of property, disposition costs, improvements to public facilities, demolition and environmental cleanup, rehabilitation of houses, program administration, public services serving LMI individuals or other priority groups, and other miscellaneous activities. No more than 15% of CDBG funds may be allocated to Public Services.

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. The following types of activities may be eligible for funding under the HOME program: CHDO set-aside, down payment assistance for first time homebuyers, housing rehabilitation, tenant based rental assistance, transitional housing, housing for those with disabilities and special needs, housing development, and new construction of housing. The housing must be permanent or transitional, and must adhere to all Federal Fair Housing laws.

The HEARTH Emergency Solutions Grant Program (HESG) funds may be used for five program components; emergency shelter, homelessness prevention, rapid re-housing, street outreach, data collection, and administrative services.

Persons wishing to view the 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/departments/departments_a_-_c/community_development/action_plans

The Montgomery County will make reasonable accommodations and services necessary for sensory-impaired and disabled citizens at the public meeting. Additionally, translation services may be offered upon request and availability. Persons requiring such accommodations/services should contact the County's Department of Community Development at least five working days in advance of the meeting at CDBG.MCTX@MCTX.ORG or 936-538-8065.

Montgomery County supports equal and fair housing and employment opportunities.

Montgomery County Grants & Community DEVELOPMENT

AVISO PÚBLICO:
DEPARTAMENTO DE SUBVENCIONES Y DESARROLLO
DEPARTAMENTO DE DESARROLLO

SUBVENCIÓN EN BLOQUE PARA EL DESARROLLO COMUNITARIO, PROGRAMA DE ASOCIACIÓN PARA LA INVERSIÓN EN VIVIENDA Y
SUBVENCIÓN PARA SOLUCIONES DE EMERGENCIA
AUDIENCIAS PÚBLICAS PROGRAMADAS PARA EL AÑO FISCAL 24 Y EL AÑO FISCAL 25
EVALUACIÓN DE NECESIDADES, PROYECTOS DE VIVIENDA, PROYECTOS PARA PERSONAS SIN HOGAR Y PARTES INTERESADAS

El Departamento de Subvenciones y Desarrollo Comunitario del Condado de Montgomery, de conformidad con la Subvención en Bloque para el Desarrollo Comunitario (CDBG, por sus siglas en inglés), el Programa de Asociaciones para la Inversión en el Hogar (HOME, por sus siglas en inglés) y el Programa de Subvenciones para Soluciones de Emergencia (ESG, por sus siglas en inglés), y las normas del Departamento de Vivienda y Desarrollo Urbano de los EE. UU., celebrará audiencias públicas para la evaluación de necesidades y presentaciones de proyectos de vivienda y personas sin hogar el martes 16 de abril de 2024, el miércoles 17 de abril de 2024 y el jueves 18 de abril de 2024 a las 5:30 p.m. en 501 N. Thompson Street Conroe, Texas - Sala de Comisionados del 4.º piso.

El Comité Consultivo de Ciudadanos para el Desarrollo de la Comunidad y el público escucharán presentaciones orales de los Subrecipientes potenciales de subvenciones que han presentado a tiempo sus propuestas de subvenciones y son solicitantes de subvenciones elegibles que buscan recibir fondos CDBG, HOME o ESG para el ciclo de subvenciones GY24 FY25. El ciclo de subvenciones GY24 FY25 abarca el período comprendido entre el 1 de octubre de 2024 y el 30 de septiembre de 2025.

Los solicitantes deben comparecer en una reunión pública y hacer una presentación pública para recibir CDBG, HOME o ESG fondos de subvención. Las solicitudes de subvención deben presentarse en la Oficina de Subvenciones y Desarrollo Comunitario ubicada en 501 N. Thompson, Suite 300 Conroe, Texas 77301 antes de las 3:30 PM del lunes, 1 de abril de 2024. Solo los solicitantes calificados son elegibles para recibir fondos.

Se anima al público a asistir a las audiencias públicas y / o presentar comentarios por escrito a Rebecca Ansley, Directora de Desarrollo Comunitario, 501 N. Thompson, Suite 300, Conroe, Texas 77301, o por correo electrónico a: CDBG.MCTX@MCTX.ORG.

FONDOS DISPONIBLES:
El Departamento de Subvenciones y Desarrollo Comunitario del Condado de Montgomery, de conformidad con las directrices del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD), preparó y presentó en agosto de 2023 el actual Plan Quinquenal Consolidado de Vivienda y Desarrollo Comunitario del Condado de Montgomery. En este momento, el condado de Montgomery está preparando el Plan de Acción Consolidado Quinquenal del año fiscal 24. El monto de los fondos CDBG, HOME y ESG que el Condado de Montgomery recibirá directamente del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD, por sus siglas en inglés) para el GY24, FY25 no se ha publicado en este momento, pero se estima que será el siguiente:

CDBG: $ 2,693,414
HOGAR: $ 777,034
HESG: $ 223,763

Los montos previstos están sujetos a la financiación del programa por parte del Congreso y, en última instancia, se ajustarán a la asignación federal cuando esta sea aprobada por el Congreso.

USO DE LOS FONDOS:
El objetivo nacional del programa CDBG es desarrollar comunidades urbanas viables proporcionando viviendas decentes, un entorno de vida adecuado y ampliando las oportunidades económicas para los residentes de ingresos bajos y moderados. No menos del 70 por ciento de los fondos CDBG se utilizarán para actividades que beneficien principalmente a personas de bajos ingresos. Los siguientes tipos de actividades pueden ser elegibles para financiamiento bajo el programa CDBG: adquisición de propiedades, costos de disposición, mejoras a las instalaciones públicas, demolición y limpieza ambiental, rehabilitación de viviendas, administración del programa, servicios públicos que atienden a individuos LMI u otros grupos prioritarios, y otras actividades misceláneas. No se puede asignar más del 15% de los fondos CDBG a Servicios Públicos.

En general, los propósitos del Programa HOME son fortalecer las asociaciones público-privadas y ampliar la oferta de viviendas decentes, seguras, sanitarias y asequibles, para familias de muy bajos ingresos y de bajos ingresos. Los fondos HOME pueden utilizarse de muchas maneras para atender las necesidades de vivienda de los ciudadanos de bajos ingresos. Los siguientes tipos de actividades pueden ser elegibles para la financiación en el marco del programa HOME: CHDO set-aside, ayuda al pago inicial para compradores de vivienda por primera vez, rehabilitación de viviendas, ayuda al alquiler basada en el inquilino, viviendas de transición, viviendas para personas con discapacidad y necesidades especiales, desarrollo de viviendas y nueva construcción de viviendas. La vivienda debe ser permanente o de transición, y debe cumplir todas las leyes federales de vivienda justa.

Los fondos del Programa de Subvenciones para Soluciones de Emergencia HEARTH (HESG, por sus siglas en inglés) pueden utilizarse para cinco componentes del programa: albergue de emergencia, prevención de la falta de vivienda, realojamiento rápido, divulgación en la calle, recopilación de datos y servicios administrativos.

Las personas que deseen ver el Plan Quinquenal Consolidado, los Planes de Acción, o los Informes Anuales de Rendimiento y Evaluación, pueden hacerlo en cualquiera de las bibliotecas del Condado, o en línea en: www.mctx.org/departments/departments_a_-_c/community_development/action_plans

El Condado de Montgomery realizará las adaptaciones y servicios razonables necesarios para los ciudadanos con deficiencias sensoriales y discapacitados en la reunión pública. Además, podrán ofrecerse servicios de traducción previa solicitud y disponibilidad. Las personas que requieran tales adaptaciones/servicios deberán ponerse en contacto con el Departamento de Subvenciones y Desarrollo Comunitario del Condado al menos cinco días hábiles antes de la reunión en CDBG.MCTX@MCTX.ORG o en el 936-538-8065.

El Condado de Montgomery apoya la igualdad de oportunidades en materia de vivienda y empleo.

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MCCOLLUM

From page A1

had property on FM 2854 where McCollum spent lots of time in his youth.

Bobby Yancey died in 2017. A lyric in McCollum's "Young Man's Blues" refers to FM 2854. Yancey was an elected official in Montgomery County and McCollum's uncle Todd is on the Conroe City Council.

Why 'Gold Chain Cowboy?'

One night a guy noticed his signature look of a cap, starched jeans and a gold chain. He said to him "You must be the gold chain cowboy."

It stuck and took off like McCollum never imagined. He was also looking for a title to his next album and he liked the ring of "Gold Chain Cowboy."

Now he said young fans come to the shows wearing gold chains too.

His brother is a musician

Tyler McCollum is the oldest, then sister Michael and Parker. In an April 2022 interview with Tyler McCollum, their live music scene growing up consisted of a barn or pasture or sneaking out to see Davin James or Shake Russell play at Puffabelly's in Spring.

In a December 2022 interview, McCollum recalled there wasn't much in the way of live music in Conroe with the exception of the Conroe Cajun Catfish Festival and the Montgomery County Fair when he was young.

He's a College Park grad

While all of his relatives graduated from Conroe High School, McCollum is a 2011 College Park High School graduate. He grew up wanting to be the quarterback at Conroe High School.

His sister, Michael, wanted to be a part of the first graduating class from College Park High School so their mom bought a home in The Woodlands.

He has a mural in Conroe

To celebrate the country musician's rise to stardom, Joe Haliti, owner of Joe's Italian Restaurant in Conroe, had a mural painted of "The Gold Chain Cowboy" on the north side of his restaurant.

In 2021, Haliti renovated the exterior of his restaurant at 1604 North Frazier Street to feature all things Conroe and Montgomery County and included a mural of the McCollum brothers, Parker and Tyler.

Additionally, Grace Goods Boutique in Willis sells a T-shirt inspired by McCollum's stage line "I'm just a kid From Conroe." "Just a Kid From Conroe" shirts are $24 and found under the rodeo section of the website.

He'll be a dad in 2024

McCollum and his wife, Hallie Ray Light, are expecting a baby this year. They married in March 2022 in Tomball.

On Feb. 7, McCollum posted the announcement that they were expecting on social media along with a photo of the couple at sunset with her hands around her midsection.

"Baby M coming later this year! Such a huge blessing from God!" the post reads.

A concert tease

On March 18, McCollum posted a reel on his Facebook page covering Strait's song "Troubadour" with the line "College Station, I told y'all it'll all make sense. Tomorrow 9 a.m."

The concert was announced the next day.

"When the king calls, there's nothing you can do but pick up," he posted the day after the announcement along with a poster for the concert.

PUBLIC MEETING



GY24, FY25 GRANT PROPOSAL PRESENTATIONS

The Community Development Citizens Advisory Committee and the public will hear oral presentations from all potential subrecipients who submitted grant proposals for CDBG/HOME/ESG program funds for GY24, FY25.

April 16-18, 2024

5:30pm-8pm

For more information :

936-538-8060

WWW.MCTX.ORG

Commissioners Court
501 North Thompson, Ste 401
Conroe, TX 77301

GY24 FY25 CDBG-ESG-HOME Grant Presentation Schedule

	Tuesday, April 16, 2024	Wednesday, April 17, 2024	Thursday, April 18, 2024
Scheduled Time	CDBG	CDBG-HOME	CDBG-ESG-HOME
5:40-5:55	Meals on Wheels - ***CDBG***	Angel Reach - ***CDBG***	Catholic Charities - ***CDBG***
5:55-6:10	Community Assistance Center - ***CDBG***	New Danville - ***CDBG***	Catholic Charities - ***ESG***
6:10-6:25	Society of St. Vincent de Paul - ***CDBG***	Children's Books on Wheels - ***CDBG***	HAAM - ***CDBG***
6:25-6:40	Compassion United - ***CDBG***	Mosaics - ***CDBG***	HAAM - ***ESG***
6:40-6:55	Keep Us Fed - ***CDBG***	Children's Safe Harbor - ***CDBG***	Family Promise - ***ESG***
6:55-7:10	Upwards - ***CDBG***	Society of Samaritans - ***CDBG***	Salvation Army - ***ESG***
7:10-7:25	Access Builds Children - ***CDBG***	Endeavors - ***CDBG***	Yes to Youth-MCYS - ***ESG***
7:25-7:40	Developing Leaders Within Foundation - ***CDBG***	Walker Montgomery CDC - ***HOME***	Easter Seals - ***HOME***

Montgomery County
Grants & Community
DEVELOPMENT
501 North Thompson St, Ste 200
Conroe, TX 77301

PUBLIC HEARING

GY24-FY25 CDBG

GRANT PRESENTATIONS

Tuesday, April 16, 2024
5:30 P.M.
MCTX Commissioners Courtroom
501 N. Thompson St. 4th Floor
Conroe, TX 77301

I. **OPEN PUBLIC HEARING**
Welcome
Prayer
Pledge of Allegiance

II. **ORAL PRESENTATIONS OF GRANT PROPOSALS**

A. 5:40 – Meals on Wheels (CDBG)

B. 5:55 - Community Assistance Center (CDBG)

C. 6:10 - Society of St. Vincent de Paul (CDBG)

D. 6:25 - Compassion United (CDBG)

E. 6:40 - Keep Us Fed (CDBG)

F. 6:55 - Upwards (CDBG)

G. 7:10 - Access Builds Children (CDBG)

H. 7:25 – Developing Leaders Within Foundation (CDBG)

III. **RECEIVE PUBLIC COMMENT**

IV. **ADJOURN**

Montgomery County
Grants & Community
DEVELOPMENT

501 North Thompson St, Ste 200
Conroe, TX 77301

Montgomery County
Grants & Community Development
Advisory Committee
GY24 - FY25 Grant Presentation Public Meeting

Tuesday, April 16, 2024
501 N. Thompson St. Fourth Floor
Conroe, TX 77301

NAME	NAME
Jeff Williams - County Judge	Vacant - County Judge
Ron Adams - Comm. Pct. 1	Christen Arnold - Comm. Pct. 1
Bruce Berger - Comm. Pct. 2	Tom Grayson - Comm. Pct. 2
Misty Perinne - Comm. Pct. 3	Vacant - Comm. Pct. 3
Harry Reader – Comm. Pct. 4	Mike Smith – Comm. Pct. 4

Montgomery County
Grants & Community
DEVELOPMENT

501 North Thompson St, Ste 200
Conroe, TX 77301

PUBLIC MEETING

MONTGOMERY COUNTY
GRANTS & COMMUNITY DEVELOPMENT
GY24-FY25 CDBG APPLICANT PRESENTATIONS

Tuesday, April 16, 2024

NAME	ORGANIZATION	ADDRESS
Wendy Dow	MCCD Dept	501 N. Thompson 77301 wendy.dow@mctx.org
Jilian Lennon	MOWMC	111 S. 2nd Street Conroe, Tx 77301
Melodie Dressel	St. Vincent de Paul	Madeley St Conroe Tx 77301
Camara Walden	Developing Leaders Within Foundation	1502 S Frazier St. Conroe, TX 77301
Lamonita Williams	Developing Leaders Within Foundation	1502 S Frazier St Conroe, Tx 77301
Katherine Fuentes	WeeCare, Inc. (DBA Upwards)	NA
Virginia Porter	St Vincent DePaul	Madely St Conroe 77301
Kristi Leggett	CAC	1022 McCall Ave Conroe

NAME	ORGANIZATION	ADDRESS / EMAIL
Jennifer Huffine	CAC	1022 NE CAIN AVE CONROE TX 77301
David Blocker	KUSTED	
Kayla Summerfelt	ABC	301 N Thompson Ste 215 Conroe 77301
Stacey Duane	MoCo Community Development	501 N. Thompson St. Conroe, TX. 77301 Stacey.doane@mctx.org
Rosa Lozoya	" "	" " rosa.lozoya@mctx.org
Amanda Vance	" "	" " amanda.vance@mctx.org
Rebecca Ansley	moco Comm Devlp	rebecca.Ansley@mctx.org
R. Luke Redus	Compassion United	350 Foster Dr Conroe, TX 77301 info@compassionunited.org

Montgomery County
Grants & Community
DEVELOPMENT
501 North Thompson St, Ste 200
Conroe, TX 77301

PUBLIC HEARING

GY24-FY25 CDBG & HOME GRANT PRESENTATIONS

Wednesday, April 17, 2024
5:30 P.M.
MCTX Commissioners Courtroom
501 N. Thompson St. 4th Floor
Conroe, TX 77301

I. **OPEN PUBLIC HEARING**
Welcome
Prayer
Pledge of Allegiance

II. **ORAL PRESENTATIONS OF GRANT PROPOSALS**

A. 5:40 – Angel Reach (CDBG)

B. 5:55 – New Danville (CDBG)

C. 6:10 - Children's Books on Wheels (CDBG)

D. 6:25 - Mosaics (CDBG)

E. 6:40 – Children's Safe Harbor (CDBG)

F. 6:55 – Society of Samaritans (CDBG)

G. 7:10 - Endeavors (CDBG)

H. 7:25 – Walker Montgomery C.D.C. (HOME-CHDO)

III. **RECEIVE PUBLIC COMMENT**

IV. **ADJOURN**

Montgomery County
Grants & Community
DEVELOPMENT

501 North Thompson St, Ste 200
Conroe, TX 77301

Montgomery County
Grants & Community Development
Advisory Committee
GY24 - FY25 Grant Presentation Public Meeting

Wednesday, April 17, 2024
501 N. Thompson St. Fourth Floor
Conroe, TX 77301

NAME	NAME
Jeff Williams - County Judge	Vacant - County Judge
Ron Adams - Comm. Pct. 1	Christen Arnold - Comm. Pct. 1
Bruce Berger - Comm. Pct. 2	Tom Grayson - Comm. Pct. 2
Misty Perinne - Comm. Pct. 3	Vacant - Comm. Pct. 3
Harry Reader – Comm. Pct. 4	Mike Smith – Comm. Pct. 4

Montgomery County Grants & Community DEVELOPMENT

501 North Thompson St, Ste 200
Conroe, TX 77301

PUBLIC MEETING

MONTGOMERY COUNTY
GRANTS & COMMUNITY DEVELOPMENT
GY24-FY25 CDBG – HOME APPLICANT PRESENTATIONS

Wednesday, April 17, 2024

NAME	ORGANIZATION	ADDRESS
Korinne Krolow	Angel Reach	900 W Dallas
Da Alexander	Angel Reach	900 W. Dallas
Franchesca Calhoun	Angel Reach	900 W Dallas
[illegible]	Children's Book on Wheels	330 Rayford Rd Conroe Spring 77386
Victoria Contreras	Children's Safe Harbor	15190 Oddfellow Street Conroe TX 77301
Lakshia Hayes	Childrens Safe Harbor	15190 Oddfellow Conroe Tx 77301
Lesli Fussell	Society of Samaritans	31355 Friendship Dr Magnolia, Tx 77355
Becky Barham	Society of Samaritans	" "

Janice Runnels	Mosaics	33114 Forest West St. Magnolia, Tx 77354
Donna Glass	WMCDC	PO Box 1568 Dawn Warwick Tx 77358
Kelley Rykert	New Danville	10957 Shepard Hill Rd Willis, TX 77318

Montgomery County
Grants & Community
DEVELOPMENT
501 North Thompson St, Ste 200
Conroe, TX 77301

PUBLIC HEARING

GY24-FY25 CDBG, ESG & HOME GRANT PRESENTATIONS

Thursday, April 18, 2024
5:30 P.M.
MCTX Commissioners Courtroom
501 N. Thompson St. 4th Floor
Conroe, TX 77301

I. **OPEN PUBLIC HEARING**
Welcome
Prayer
Pledge of Allegiance

II. **ORAL PRESENTATIONS OF GRANT PROPOSALS**

A. 5:40 – Catholic Charities (CDBG)

B. 5:55 – Catholic Charities (ESG)

C. 6:10 - Humble Area Assistance Ministries-HAAM (CDBG)

D. 6:25 - Humble Area Assistance Ministries-HAAM (ESG)

E. 6:40 – Family Promise (ESG)

F. 6:55 – Salvation Army (ESG)

G. 7:10 – Yes to Youth-MCYS (ESG)

H. 7:25 – Easter Seals (HOME)

III. **RECEIVE PUBLIC COMMENT**

IV. **ADJOURN**

Montgomery County
Grants & Community
DEVELOPMENT

501 North Thompson St, Ste 200
Conroe, TX 77301

Montgomery County
Grants & Community Development
Advisory Committee
GY24 - FY25 Grant Presentation Public Meeting

Thursday, April 18, 2024
501 N. Thompson St. Fourth Floor
Conroe, TX 77301

NAME	NAME
Jeff Williams - County Judge	Vacant - County Judge
Ron Adams - Comm. Pct. 1	Christen Arnold - Comm. Pct. 1
Bruce Berger - Comm. Pct. 2	Tom Grayson - Comm. Pct. 2
Misty Perinne - Comm. Pct. 3	Vacant - Comm. Pct. 3
Harry Reader – Comm. Pct. 4	Mike Smith – Comm. Pct. 4

Montgomery County Grants & Community DEVELOPMENT

501 North Thompson St, Ste 200
Conroe, TX 77301

PUBLIC MEETING

MONTGOMERY COUNTY
GRANTS & COMMUNITY DEVELOPMENT
GY24-FY25 CDBG – ESG - HOME APPLICANT PRESENTATIONS

Thursday, April 18, 2024

NAME	ORGANIZATION	ADDRESS
Wendy Dow	MC Grants & Comm. Dev.	501 N. Thompson St. Ste 200 Conroe 77301
Mike Sm	Pct 4	
Stacey Doane	MOCO Comm Devel	501 N Thompson st. #200 Conroe 7730(
Jason Lozga	"	"
Tiffany Stafford	HAAM	1302 1st St. Humble, TX 77338
Kristen Wallace	"	"
Patricia Vigil	HAAM	"
James Coarman	The Salvation Army	304 Avenue E Conroe TX 7730

Marilyn Kasmierski	Family Promise	109 Commercial Cr Conroe TX 77304 P.O. Box 692 Conroe
Adriana Gutierrez	Yes to Youth	105 W. Lewis St Conroe TX 77301
Kathy Thornhill	[illegible]	

Montgomery County
Grants & Community DEVELOPMENT

Rebecca Ansley
Director

Amanda Vance
Assistant Director

501 N. Thompson, Suite 200, Conroe, Texas 77301
Phone: 936-538-8060

GY24 FY25 CDBG / HOME / HESG
Funding Decision Meeting
Tuesday, May 14, 2024
5:30 p.m.
501 N. Thompson St., Ste. 200 Conroe, TX 77301

SIGN-IN SHEET

Printed Name	Signature	Representing
Mike Smith		Mo Co Pct 4
Tom Grayson	Tom Grayson	Mo. Co Pct 2
Christen Arnold		Pct. 1
Jeff Williams		Co. Judge
Harry Reader		Pct. 4
Ronald Lee Adams		Pct. 1
Misty Perine		Pct 3

Montgomery County
Grants & Community
DEVELOPMENT

MONTGOMERY COUNTY GRANTS & COMMUNITY DEVELOPMENT
NOTICE OF PUBLIC COMMENT PERIOD AND PUBLIC HEARING
ON THE PY24, FY25 ANNUAL ACTION PLAN

In accordance with the federal regulations at 24 CFR Part 91, Montgomery County has prepared a Consolidated Annual Action Plan for the US Department of Housing and Urban Development (HUD) Community Planning and Development Programs. This document is a requirement for direct financial assistance under certain HUD funding programs including the Community Development Block Grant (CDBG), Emergency Solutions Grant (HESG), and HOME Investment Partnerships (HOME). This Annual Action Plan covers the period beginning October 1, 2024 and ending September 30, 2025.

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 purpose of the Annual Action 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 Annual Action Plan serves the following functions:

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

The PY24, FY25 Annual Action Plan includes the projects proposed to be funded during the program year. These projects are listed below by program funding source and geographic area. The recommended amount of funding for each project is also listed.

PY24, FY25 CDBG PROJECTED USE OF FUNDS

LOCATION	DESCRIPTION	ALLOCATED
N/A	CDBG Administration	$ 570,913.00
County-Wide	Housing Rehab Project Delivery	$ 10,000.00
Com Precinct 1	Com Precinct 1 Community Center	$ 665,525.00
Com Precinct 4	Com Precinct 4 Park	$ 1,179,943.00
Com Precinct 2	Public Services- Senior Transport Vehicle	$ 110,000.00
County-Wide	Access Builds Children Public Services	$ 10,000.00
County-Wide	Children's Safe Harbor Public Services	$ 60,000.00
County-Wide	Community Assistance Center Public Services	$ 20,000.00
County-Wide	Compassion United Public Services	$ 15,000.00
County-Wide	Keep Us Fed Public Services	$ 51,000.00
County-Wide	Meals on Wheels Public Services	$ 40,000.00

County-Wide	Society of Samaritans Public Services	$	62,184.00
County-Wide	Society of St Vincent De Paul Public Services	$	60,000.00
	Total CDBG	**$**	**2,854,565.00**

PY24, FY25 HOME PROJECTED USE OF FUNDS

LOCATION	DESCRIPTION		ALLOCATED
N/A	HOME Administration	$	67,065.00
Montgomery	Walker-Montgomery County CHDO	$	225,000.00
County-Wide	Easter Seals Down Payment Assistance	$	378,584.00
	Total HOME	**$**	**670,649.00**

PY24, FY25 EMERGENCY SOLUTIONS GRANT PROJECTED USE OF FUNDS

LOCATION	DESCRIPTION		ALLOCATED
N/A	ESG Administration	$	8,877.00
County-Wide	Family Promise Public Services	$	32,500.00
County-Wide	The Salvation Army Public Services	$	40,000.00
County-Wide	MCYS dba Yes to Youth Public Services	$	81,133.50
County-Wide	Catholic Charities Public Services	$	20,000.00
County-Wide	Humble Area Assistance Ministries Public Services	$	54,212.50
	Total ESG	**$**	**236,723.00**

Prior to submission of the plan, the public is allowed to review and comment on the AAP's proposed use of funds. The Montgomery County PY24, FY25 Annual Action Plan Draft will be available for public review and comment from July 1, 2024 through July 30, 2024. Draft copies of the AAP will be available for review at:

1) The Montgomery County Grants and Community Development Department, 501 N. Thompson, Ste 200, Conroe, TX 77301
2) The County website at: https://mctx.org/departments/departments_a_-_c/community_development/public_notices.php
3) The Montgomery County Public Libraries
4) The Montgomery County Community Centers

A public hearing to solicit comments on this document will be held on Monday, July 15, 2024 at 5:30 at 501 N. Thompson Street Conroe, Texas - 4th Floor - Commissioners Courtroom.

The County intends to submit the AAP to HUD on or before August 16, 2024. The public is encouraged to review these proposed projects and submit written comments to: Montgomery County Community Development, 501 N. Thompson, Suite 200, Conroe, Texas 77301 or via email at: CDBG.MCTX@MCTX.ORG. All comments received by July 30, 2024 will be considered.

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Montgomery County supports equal and fair housing and employment opportunities.

HC MEDIA GROUP
HEARST corporation

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:

MONTG COUNTY COMM DEVELOP 0034339029 HOUC015760323
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HCN Conroe Courier	Jun 21 2024	Legal Notices	A 13

Victoria Bond
NEWSPAPER REPRESENTATIVE

Sworn and subscribed to before me, this 21st Day of June A.D. 2024

TAMIKA PERRY
Notary Public, State of Texas
Comm. Expires 05-05-2027
Notary ID 134344618

Notary Public in and for the State of Texas

Montgomery County Grants & Community DEVELOPMENT

MONTGOMERY COUNTY GRANTS & COMMUNITY DEVELOPMENT NOTICE OF PUBLIC COMMENT PERIOD AND PUBLIC HEARING ON THE PY24, FY25 ANNUAL ACTION PLAN

In accordance with the federal regulations at 24 CFR Part 91, Montgomery County has prepared a Consolidated Annual Action Plan for the US Department of Housing and Urban Development (HUD) Community Planning and Development Programs. This document is a requirement for direct financial assistance under certain HUD funding programs including the Community Development Block Grant (CDBG), Emergency Solutions Grant (HESG), and HOME Investment Partnerships (HOME). This Annual Action Plan covers the period beginning October 1, 2024 and ending September 30, 2025.

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Com Precinct 4	Com Precinct 4 Park	$ 1,179,943.00
Com Precinct 2	Public Services- Senior Transport Vehicle	$ 110,000.00
County-Wide	Access Builds Children Public Services	$ 10,000.00
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County-Wide	Keep Us Fed Public Services	$ 51,000.00
County-Wide	Meals on Wheels Public Services	$ 40,000.00
County-Wide	Society of Samaritans Public Services	$ 62,184.00
County-Wide	Society of St Vincent De Paul Public Services	$ 60,000.00
	Total CDBG	**$ 2,854,565.00**

PY24, FY25 HOME PROJECTED USE OF FUNDS

LOCATION	DESCRIPTION	ALLOCATED
N/A	HOME Administration	$ 67,065.00
Montgomery	Walker-Montgomery County CHDO	$ 225,000.00
County-Wide	Easter Seals Down Payment Assistance	$ 378,584.00
	Total HOME	**$ 670,649.00**

PY24, FY25 EMERGENCY SOLUTIONS GRANT PROJECTED USE OF FUNDS

LOCATION	DESCRIPTION	ALLOCATED
N/A	ESG Administration	$ 8,877.00
County-Wide	Family Promise Public Services	$ 32,500.00
County-Wide	The Salvation Army Public Services	$ 40,000.00
	MCYS dba Yes to Youth Public	

Montgomery County Grants & Community DEVELOPMENT

SUBVENCIONES Y DESARROLLO COMUNITARIO DEL CONDADO DE MONTGOMERY AVISO DE PERÍODO DE COMENTARIOS PÚBLICOS Y AUDIENCIA PÚBLICA SOBRE EL PLAN DE ACCIÓN ANUAL PY24, FY25

De acuerdo con las regulaciones federales en 24 CFR Parte 91, el Condado de Montgomery ha preparado un Plan de Acción Anual Consolidado para los Programas de Planificación y Desarrollo Comunitario del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD, por sus siglas en inglés). Este documento es un requisito para la asistencia financiera directa bajo ciertos programas de financiamiento de HUD, incluyendo la Subvención en Bloque para el Desarrollo Comunitario (CDBG), la Subvención para Soluciones de Emergencia (HESG) y las Asociaciones de Inversión HOME (HOME). Este Plan de Acción Anual cubre el período comprendido entre el 1 de octubre de 2024 y el 30 de septiembre de 2025.

Los objetivos del Desarrollo Comunitario son:

1) otorgar beneficios a personas de ingresos bajos y moderados;

2) eliminar los barrios marginales y las condiciones de deterioro; y

3) satisfacer necesidades urgentes.

El propósito del Plan de Acción Anual requiere que el condado comunique en un documento su plan para completar estas metas para todos los programas de planificación, desarrollo y vivienda comunitarios. El Plan de Acción Anual cumple las siguientes funciones:

1) Un documento de planificación para la jurisdicción, que se basa en un proceso participativo al nivel más bajo;

2) Una solicitud de fondos federales bajo los programas de subvenciones de fórmula de HUD;

3) Una estrategia para seguir en la ejecución de los programas de HUD; y

4) Un plan de acción que proporcione una base para evaluar el desempeño.

El Plan de Acción Anual PY24, FY25 incluye los proyectos propuestos para ser financiados durante el año programático. Estos proyectos se enumeran a continuación por fuente de financiamiento del programa y área geográfica. También se enumera la cantidad recomendada de financiamiento para cada proyecto.

PY24, FY25 CDBG USO PROGRAMADO DE FONDOS

UBICACIÓN	DESCRIPCIÓN	ASIGNADOS
N/A	Administración CDBG	$ 570,913.00
County-Wide	Entrega del proyecto de rehabilitación de viviendas	$ 10,000.00
Com Precinct 1	Centro Comunitario Com Precinto 1	$ 665,525.00
Com Precinct 4	Parque del Com Precinto 4	$ 1,179,943.00
Com Precinct 2	Servicios Públicos- Vehículo de Transporte para Personas Mayores	$ 110,000.00
County-Wide	Construcción de acceso de puerto seguro de servicios públicos para niños.	$ 10,000.00
County-Wide	Children's Safe Harbor Public Services	$ 60,000.00
County-Wide	Community Assistance Center Public Services	$ 20,000.00
County-Wide	Compassion United Public Services	$ 15,000.00
County-Wide	Keep Us Fed Public Services	$ 51,000.00
County-Wide	Meals on Wheels Public Services	$ 40,000.00
County-Wide	Society of Samaritans Public Services	$ 62,184.00
County-Wide	Society of St Vincent De Paul Public Services	$ 60,000.00
	Total CDBG	**$ 2,854,565.00**

PY24, FY25 HOME USO PROGRAMADO DE FONDOS

UBICACIÓN	DESCRIPCIÓN	ASIGNADOS
N/A	HOME Administration	$67,065.00
Montgomery	Walker-Montgomery County CHDO	$225,000.00
County-Wide	Easter Seals Down Payment Assistance	$ 378,584.00
	Total HOME	**$ 670,649.00**

SUBVENCIONES PARA SOLUCIONES DE EMERGENCIA USO PROYECTADO DE FONDOS

UBICACIÓN	DESCRIPCIÓN	ASIGNADOS
N/A	ESG Administration	$ 8,877.00
County-Wide	Family Promise Public Services	$ 32,500.00
County-Wide	The Salvation Army Public Services	$ 40,000.00

County-Wide	Services	$ 81,133.50
County-Wide	Catholic Charities Public Services	$ 20,000.00
County-Wide	Humble Area Assistance Ministries Public Services	$ 54,212.50
	Total ESG	**$ 236,723.00**

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4) The Montgomery County Community Centers

A public hearing to solicit comments on this document will be held on Monday, July 15, 2024 at 5:30 P.M. at 501 N. Thompson Street Conroe, Texas - 4th Floor - Commissioners Courtroom.

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Montgomery County supports equal and fair housing and employment opportunities.

County-Wide	MCYS dba Yes to Youth Public Services	$ 81,133.50
County-Wide	Catholic Charities Public Services	$ 20,000.00
County-Wide	Humble Area Assistance Ministries Public Services	$ 54,212.50
	Total ESG	**$ 236,723.00**

Antes de la presentación del plan, el público puede revisar y comentar sobre el uso de fondos propuesto por la AAP. El borrador del Plan de Acción Anual PY24, FY25 del Condado de Montgomery estará disponible para revisión y comentarios del público desde el 1 de julio de 2024 hasta el 30 de julio de 2024. Las copias preliminares del AAP estarán disponibles para su revisión en:

1) Departamento de Desarrollo Comunitario y Subvenciones del Condado de Montgomery, 501 N. Thompson, Ste 200, Conroe, TX 77301
2) El sitio web del Condado en: https://mctx.org/departments/departments_a_-_c/community_development/public_notices.php
3) Las bibliotecas públicas del Condado de Montgomery
4) Los centros comunitarios del Condado de Montgomery

Se llevará a cabo una audiencia pública para solicitar comentarios sobre este documento el lunes 15 de julio de 2024 a las 5:30 P.M. en 501 N. Thompson Street Conroe, Texas - 4to piso - Sala del Tribunal de Comisionados.

El condado tiene la intención de presentar el AAP al HUD el 16 de agosto de 2024 o antes. Se alienta al público a revisar estos proyectos propuestos y enviar comentarios por escrito a: Montgomery County Community Development, 501 N. Thompson, Suite 200, Conroe, Texas 77301 o por correo electrónico a: CDBG.MCTX@MCTX.ORG. Se considerarán todos los comentarios recibidos antes del 30 de julio de 2024.

Las personas con impedimentos visuales o auditivos u otras personas con discapacidades que requieran ayuda y servicios auxiliares, o personas que no hablen inglés o que hablen inglés limitado y requieran un intérprete, deben comunicarse con el Departamento de Desarrollo Comunitario al (936) 538-8060 con respecto a adaptaciones razonables al menos 24 horas antes de la reunión o para recibir asistencia con el acceso a este aviso.

El condado de Montgomery apoya oportunidades de empleo y vivienda justas y equitativas.

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Citation by Publication | Citation by Publication | Legals/Public Notices | Legals/Public Notices | Legals/Public Notices | Legals/Public Notices

CITATION BY PUBLICATION - CIVIL
Cause Number: 24-01-00081

Clerk of the Court
Melisa Miller
P.O Box 2985
Conroe, Texas 77305

Attorney Requesting Service
Michael Foreman
13001218 Street Suite 408
Huntsville TX 77340

THE STATE OF TEXAS

NOTICE TO DEFENDANT: "You have been sued. You may employ an attorney. If you or your attorney does not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of forty-two days after the date of issuance of this citation and petition, a default judgment may be taken against you."

To: James Hubbard

You are hereby commanded to appear by filing a written answer to the Plaintiff's Original Petition at or before 10:00 A.M. of the Monday next after the expiration of forty-two days after the date of issuance of this citation the same being Monday, the 15th day of July, 2024 before the 457th Judicial District Court of Montgomery County, Texas at the Courthouse of said County in Conroe, Texas. Said Plaintiff's Original Petition was filed in said court on this the 3rd day of January, 2024, in this case, numbered 24-01-00081 on the docket of said court.

The names of the parties to the cause are as follows:
Bailey Knepper are Plaintiffs and

James Hubbard are Defendants

A brief statement of the nature of this suit is as follows, to wit:

On December 20, 2022, Plaintiff Bailey Knepper was involved in a motor vehicle collision. Defendant James Hubbard was operating a motor vehicle in the opposite lane approaching Plaintiff. As a result of the collision, Plaintiff sustained serious injuries and has continued treatment since the collision date.
Plaintiff filed Plaintiff's Original Petition on January 3, 2024. Defendant has been unable to be served with the lawsuit via personal service. A Motion for Substitute Service was granted on May 20, 2024 to have Defendant Hubbard be served via publication in Montgomery County and Harris County

as is more fully shown by Plaintiff's Original Petition on file in this suit.

The officer executing this writ shall promptly serve the same according to requirements of law, and the mandates thereof, and make due as the law directs.

Issued and given under my hand and the Seal of said Court, at office in Conroe Texas, this on this the 29th day of May, 2024.

Melisa Miller, District Clerk
Montgomery County, Texas

By: /s/
Traci Gunter

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Montgomery County Grants & Community DEVELOPMENT

MONTGOMERY COUNTY GRANTS & COMMUNITY DEVELOPMENT
NOTICE OF PUBLIC COMMENT PERIOD AND PUBLIC HEARING
ON THE PY24, FY25 ANNUAL ACTION PLAN

In accordance with the federal regulations at 24 CFR Part 91, Montgomery County has prepared a Consolidated Annual Action Plan for the US Department of Housing and Urban Development (HUD) Community Planning and Development Programs. This document is a requirement for direct financial assistance under certain HUD funding programs including the Community Development Block Grant (CDBG), Emergency Solutions Grant (HESG), and HOME Investment Partnerships (HOME). This Annual Action Plan covers the period beginning October 1, 2024 and ending September 30, 2025.

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 purpose of the Annual Action 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 Annual Action 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 PY24, FY25 Annual Action Plan includes the projects proposed to be funded during the program year. These projects are listed below by program funding source and geographic area. The recommended amount of funding for each project is also listed.

PY24, FY25 CDBG PROJECTED USE OF FUNDS

LOCATION	DESCRIPTION	ALLOCATED
N/A	CDBG Administration	$ 570,913.00
County-Wide	Housing Rehab Project Delivery	$ 10,000.00
Com Precinct 1	Com Precinct 1 Community Center	$ 665,525.00
Com Precinct 4	Com Precinct 4 Park	$ 1,179,943.00
Com Precinct 2	Public Services- Senior Transport Vehicle	$ 110,000.00
County-Wide	Access Builds Children Public Services	$ 10,000.00
County-Wide	Children's Safe Harbor Public Services	$ 60,000.00
County-Wide	Community Assistance Center Public Services	$ 20,000.00
County-Wide	Compassion United Public Services	$ 15,000.00
County-Wide	Keep Us Fed Public Services	$ 51,000.00
County-Wide	Meals on Wheels Public Services	$ 40,000.00
County-Wide	Society of Samaritans Public Services	$ 62,184.00
County-Wide	Society of St Vincent De Paul Public Services	$ 60,000.00
	Total CDBG	**$ 2,854,565.00**

PY24, FY25 HOME PROJECTED USE OF FUNDS

LOCATION	DESCRIPTION	ALLOCATED
N/A	HOME Administration	$ 67,065.00
Montgomery	Walker-Montgomery County CHDO	$ 225,000.00
County-Wide	Easter Seals Down Payment Assistance	$ 378,584.00
	Total HOME	**$ 670,649.00**

PY24, FY25 EMERGENCY SOLUTIONS GRANT PROJECTED USE OF FUNDS

LOCATION	DESCRIPTION	ALLOCATED
N/A	ESG Administration	$ 8,877.00
County-Wide	Family Promise Public Services	$ 32,500.00
County-Wide	The Salvation Army Public Services	$ 40,000.00
County-Wide	MCYS dba Yes to Youth Public Services	$ 81,133.50
County-Wide	Catholic Charities Public Services	$ 20,000.00
County-Wide	Humble Area Assistance Ministries Public Services	$ 54,212.50
	Total ESG	**$ 236,723.00**

Prior to submission of the plan, the public is allowed to review and comment on the AAP's proposed use of funds. The Montgomery County PY24, FY25 Annual Action Plan Draft will be available for public review and comment from July 1, 2024 through July 30, 2024. Draft copies of the AAP will be available for review at:

1) The Montgomery County Grants and Community Development Department, 501 N. Thompson, Ste 200, Conroe, TX 77301
2) The County website at: https://mctx.org/departments/departments_a_-_c/community_development/public_notices.php
3) The Montgomery County Public Libraries
4) The Montgomery County Community Centers

A public hearing to solicit comments on this document will be held on Monday, July 15, 2024 at 5:30 P.M. at 501 N. Thompson Street Conroe, Texas - 4th Floor - Commissioners Courtroom.

The County intends to submit the AAP to HUD on or before August 16, 2024. The public is encouraged to review these proposed projects and submit written comments to Montgomery County Community Development, 501 N. Thompson, Suite 200, Conroe, Texas 77301 or via email at: CDBG.MCTX@MCTX.ORG. All comments received by July 30, 2024 will be considered.

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

Montgomery County supports equal and fair housing and employment opportunities.

Montgomery County Grants & Community DEVELOPMENT

SUBVENCIONES Y DESARROLLO COMUNITARIO DEL CONDADO DE MONTGOMERY
AVISO DE PERIODO DE COMENTARIOS PÚBLICOS Y AUDIENCIA PUBLICA
SOBRE EL PLAN DE ACCION ANUAL PY24, FY25

De acuerdo con las regulaciones federales en 24 CFR Parte 91, el Condado de Montgomery ha preparado un Plan de Acción Anual Consolidado para los Programas de Planificación y Desarrollo Comunitario del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD, por sus siglas en inglés). Este documento es un requisito para la asistencia financiera directa bajo ciertos programas de financiamiento de HUD, incluyendo la Subvención en Bloque para el Desarrollo Comunitario (CDBG), la Subvención para Soluciones de Emergencia (HESG) y las Asociaciones de Inversión HOME (HOME). Este Plan de Acción Anual cubre el período comprendido entre el 1 de octubre de 2024 y el 30 de septiembre de 2025.

Los objetivos del Desarrollo Comunitario son:

1) otorgar beneficios a personas de ingresos bajos y moderados;
2) eliminar los barrios marginales y las condiciones de deterioro; y
3) satisfacer necesidades urgentes.

El propósito del Plan de Acción Anual requiere que el condado comunique en un documento su plan para completar estas metas para todos los programas de planificación, desarrollo y vivienda comunitarios. El Plan de Acción Anual cumple las siguientes funciones:

1) Un documento de planificación para la jurisdicción, que se basa en un proceso participativo al nivel más bajo;
2) Una solicitud de fondos federales bajo los programas de subvenciones de fórmula de HUD;
3) Una estrategia para seguir en la ejecución de los programas de HUD; y
4) Un plan de acción que proporcione una base para evaluar el desempeño.

El Plan de Acción Anual PY24, FY25 incluye los proyectos propuestos para ser financiados durante el año programático. Estos proyectos se enumeran a continuación por fuente de financiamiento del programa y área geográfica. También se enumera la cantidad recomendada de financiamiento para cada proyecto.

PY24, FY25 CDBG USO PROGRAMADO DE FONDOS

UBICACION	DESCRIPCION	ASIGNADOS
N/A	Administracion CDBG	$ 570,913.00
County-Wide	Entrega del proyecto de rehabilitacion de viviendas	$ 10,000.00
Com Precinct 1	Centro Comunitario Com Precinto 1	$ 665,525.00
Com Precinct 4	Parque del Com Precinto 4	$ 1,179,943.00
Com Precinct 2	Servicios Publicos- Vehiculo de Transporte para Personas Mayores	$ 110,000.00
County-Wide	Construccion de acceso de puerto seguro de servicios publicos para ninos.	$ 10,000.00
County-Wide	Children's Safe Harbor Public Services	$ 60,000.00
County-Wide	Community Assistance Center Public Services	$ 20,000.00
County-Wide	Compassion United Public Services	$ 15,000.00
County-Wide	Keep Us Fed Public Services	$ 51,000.00
County-Wide	Meals on Wheels Public Services	$ 40,000.00
County-Wide	Society of Samaritans Public Services	$ 62,184.00
County-Wide	Society of St Vincent De Paul Public Services	$ 60,000.00
	Total CDBG	**$ 2,854,565.00**

PY24, FY25 HOME USO PROGRAMADO DE FONDOS

UBICACIÓN	DESCRIPCIÓN	ASIGNADOS
N/A	HOME Administration	$67,065.00
Montgomery	Walker-Montgomery County CHDO	$225,000.00
County-Wide	Easter Seals Down Payment Assistance	$ 378,584.00
	Total HOME	**$ 670,649.00**

SUBVENCIONES PARA SOLUCIONES DE EMERGENCIA USO PROYECTADO DE FONDOS

UBICACIÓN	DESCRIPCIÓN	ASIGNADOS
N/A	ESG Administration	$ 8,877.00
County-Wide	Family Promise Public Services	$ 32,500.00
County-Wide	The Salvation Army Public Services	$ 40,000.00
County-Wide	MCYS dba Yes to Youth Public Services	$ 81,133.50
County-Wide	Catholic Charities Public Services	$ 20,000.00
County-Wide	Humble Area Assistance Ministries Public Services	$ 54,212.50
	Total ESG	**$ 236,723.00**

Antes de la presentacion del plan, el publico puede revisar y comentar sobre el uso de fondos propuesto por la AAP. El borrador del Plan de Acción Anual PY24, FY25 del Condado de Montgomery estara disponible para revisión y comentarios del publico desde el 1 de julio de 2024 hasta el 30 de julio de 2024. Las copias preliminares del AAP estaran disponibles para su revision en:

1) Departamento de Desarrollo Comunitario y Subvenciones del Condado de Montgomery, 501 N. Thompson, Ste 200, Conroe, TX 77301
2) El sitio web del Condado en: https://mctx.org/departments/departments_a_-_c/community_development/public_notices.php
3) Las bibliotecas públicas del Condado de Montgomery
4) Los centros comunitarios del Condado de Montgomery

Se llevara a cabo una audiencia publica para solicitar comentarios sobre este documento el lunes 15 de julio de 2024 a las 5:30 P.M. en 501 N. Thompson Street Conroe, Texas - 4to piso - Sala del Tribunal de Comisionados.

El condado tiene la intencion de presentar el AAP al HUD el 16 de agosto de 2024 o antes. Se alienta al publico a revisar estos proyectos propuestos y enviar comentarios por escrito a: Montgomery County Community Development, 501 N. Thompson, Suite 200, Conroe, Texas 77301 o por correo electronico a: CDBG.MCTX@MCTX.ORG. Se consideraran todos los comentarios recibidos antes del 30 de julio de 2024.

Las personas con impedimentos visuales o auditivos u otras personas con discapacidades que requieran ayuda y servicios auxiliares, o personas que no hablen ingles o que hablen ingles limitado y requieran un intérprete, deben comunicarse con el Departamento de Desarrollo Comunitario al (936) 538-8060 con respecto a adaptaciones razonables al menos 24 horas antes de la reunion o para recibir asistencia con el acceso a este aviso.

El condado de Montgomery apoya oportunidades de empleo y vivienda justas y equitativas.

RFP FOR AERIAL IDENTIFICATION OF OMITTED PROPERTY
MONTGOMERY CENTRAL APPRAISAL DISTRICT

Project Description:

Montgomery Central Appraisal District is requesting proposals from professional aerial photography and analysis Vendors for the purposes of identifying potential omitted improvements in the Montgomery County area. The Project aim is to use aerial imagery taken in 2023, and apply a process to identify structures within a given geographical area. Then compare that data with provided data from our CAMA software to indicate property tax parcels with improvements for that year which were not appraised.

The project would then aim to identify which years the improvement existed and add the omitted property for prior years where applicable.

For more information on the full RFP please see our website at MCAD.org.

Each Vendor shall assume full responsibility for timely delivery of their proposal to the location designated for receipt of proposals. All proposals must be delivered to the District at the following address:

Montgomery Central Appraisal District
Attn: Interim Chief Appraiser, Sherry C. Hanler
109 Gladstell St
Conroe TX 77301

All submitted responses become the property of the District after the opening date. Responses submitted shall constitute an offer for a period of 7 days, or until a selection is made by the District.

NOTICE OF PUBLIC SALE of property to satisfy a landlord's lien. Sale to be held at Montgomery Self Storage at 1418 FM2854 Rd., Conroe, TX 77304 on July 13th, 2024, at 10am. Cleanup deposit may be required. Seller reserves the right to withdraw property at any time before the sale. Unit items sold as-is to highest bidder. Property includes contents of spaces of the following tenants. Albert J Merchant III- boxes, misc. items.

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**********FOR PUBLIC NOTICE**********

A Public Comment Period and Public Hearing will be held on the PY24,FY25 Annual Action Plan. A thirty (30) day comment period will begin on July 1, 2024 and run through July 30, 2024. A public hearing to solicit comments on the AAP will be held on July 15, 2024 at 5:30pm in the Montgomery County Commissioners Courtroom. All comments received by July 30, 2024 will be considered.
Please click the following link to v... **See more**

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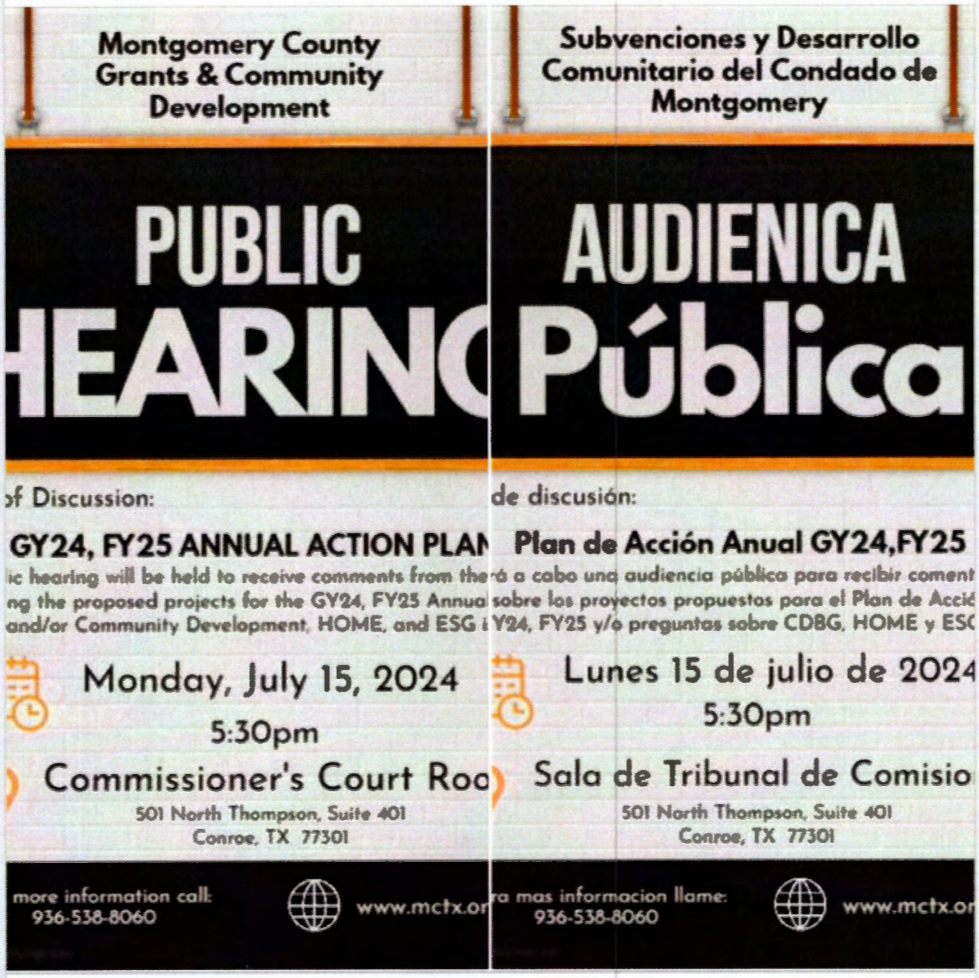
What's on your mind, Montgomery County Community Development?

Live video | Photo/video | Reel

Montgomery County Community Development

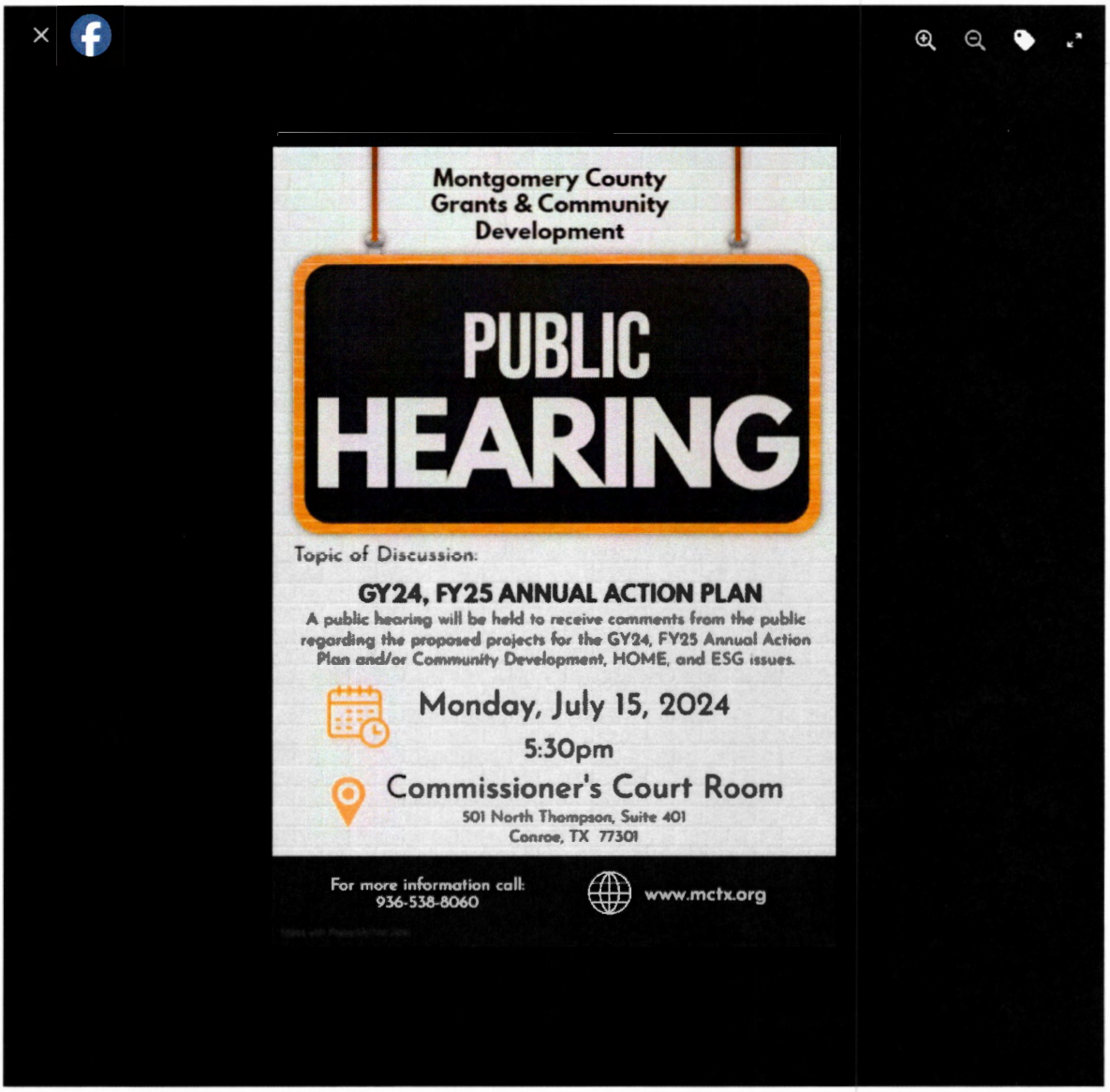
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A public hearing will be held on the GY24, FY25 Annual Action Plan. Please see flyer for further details.



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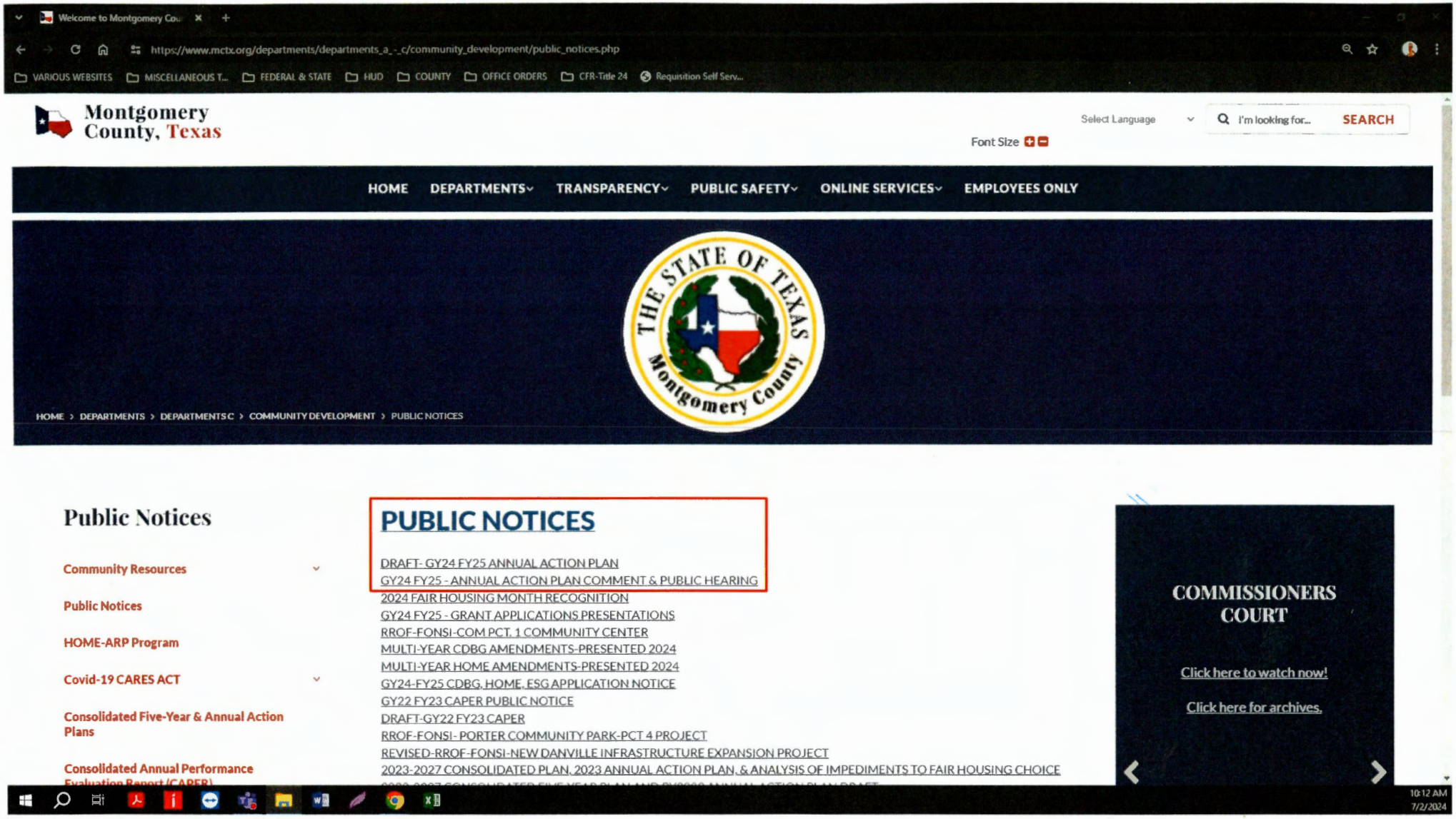


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Covid-19 CARES ACT
Consolidated Five-Year & Annual Action Plans
Consolidated Annual Performance
PUBLIC NOTICES
DRAFT- GY24 FY25 ANNUAL ACTION PLAN
GY24 FY25 - ANNUAL ACTION PLAN COMMENT & PUBLIC HEARING
2024 FAIR HOUSING MONTH RECOGNITION
GY24 FY25 - GRANT APPLICATIONS PRESENTATIONS
RROF-FONSI-COM PCT. 1 COMMUNITY CENTER
MULTI-YEAR CDBG AMENDMENTS-PRESENTED 2024
MULTI-YEAR HOME AMENDMENTS-PRESENTED 2024
GY24-FY25 CDBG, HOME, ESG APPLICATION NOTICE
GY22 FY23 CAPER PUBLIC NOTICE
DRAFT-GY22 FY23 CAPER
RROF-FONSI- PORTER COMMUNITY PARK-PCT 4 PROJECT
REVISED-RROF-FONSI-NEW DANVILLE INFRASTRUCTURE EXPANSION PROJECT
2023-2027 CONSOLIDATED PLAN, 2023 ANNUAL ACTION PLAN, & ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE
COMMISSIONERS COURT
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10:12 AM
7/2/2024

PUBLIC NOTICE LIBRARY POSTING REQUEST: DRAFT GY24-FY25 Annual Action Plan

Dow, Wendy <Wendy.Dow@mctx.org>

Tue 7/2/2024 9:09 AM

To:Library Branch Managers <LibraryBranchManagers@mctx.org>

1 attachments (1 MB)

PY2024 Annual Action Plan-final draft for comment period.pdf;

Please place the attached document – **DRAFT GY24-FY25 ANNUAL ACTION PLAN** in a place in the following Libraries where the public can easily view.

Post beginning today and the document may be removed after July 31, 2024.

- 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

If anyone is requesting to view the draft plan, I have attached a digital copy, or if a paper version is requested, please have them reach out to me directly and I will help them.

As always, thank you for your assistance.

Sincerely,

Wendy Dow

Wendy M. Dow
Administrative Manager
E: Wendy.Dow@mctx.org
P: 936.442.7753

Montgomery County Community DEVELOPMENT
501 N. Thompson St., Suite 200
Conroe, TX 77301

PUBLIC NOTICE COMMUNITY CENTER POSTING REQUEST: DRAFT GY24-FY25 Annual Action Plan

Dow, Wendy <Wendy.Dow@mctx.org>

Tue 7/2/2024 9:34 AM

To:Hensley, Carla <carla.hensley@mctx.org>;Montgomery, Rae <rae.montgomery@mctx.org>;Moore, Joanne <joanne.moore@mctx.org>;Behnken, Rhonda <rhonda.behnken@mctx.org>

1 attachments (1 MB)

PY2024 Annual Action Plan-final draft for comment period.pdf;

Please place the attached document – **DRAFT GY24-FY25 ANNUAL ACTION PLAN** in a place in the following Community Centers where the public can easily view.

Post beginning today and the noticed may be removed after July 31, 2024.

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

If anyone is requesting to view the draft plan, I have attached a digital copy, or if a paper version is requested, please have them reach out to me directly and I will help them.

As always, thank you for your assistance.

Sincerely,

Wendy Dow

Wendy M. Dow
Administrative Manager
E: Wendy.Dow@mctx.org
P: 936.442.7753

Montgomery County Community DEVELOPMENT
501 N. Thompson St., Suite 200
Conroe, TX 77301

Montgomery County
Grants & Community
DEVELOPMENT
501 North Thompson St, Ste 200
Conroe, TX 77301

PUBLIC HEARING

Montgomery County Commissioners Courtroom

501 N. Thompson St. 4th Floor, Conroe, TX 77301

July 15, 2024

5:30 p.m.

I. OPEN PUBLIC HEARING

Pledge of Allegiance
Welcome- Rebecca Ansley, Director of Grants & Community Development

II. REVIEW DRAFTS OF THE FOLLOWING DOCUMENTS

- 2024 Annual Action Plan

III. CITIZEN COMMENTS

IV. QUESTIONS

V. ADJOURN

Montgomery County
Grants & Community
DEVELOPMENT

PUBLIC HEARING
Montgomery County Commissioners Courtroom
501 N. Thompson St. 4th Floor, Conroe, TX 77301
July 15, 2024
5:30 p.m.

SIGN-IN SHEET

Name	Organization / Residence Precinct	Email / Phone
Amanda Vance	MCCD	
Rebecca Ansley	MCCD	
Wendy Dow	MCCD	

PUBLIC HEARING

TOPIC OF DISCUSSION:

MONTGOMERY COUNTY 2024 ANNUAL ACTION PLAN

Presented by:

Montgomery County Grants & Community Development

ANNUAL ACTION PLAN OVERVIEW

Montgomery County receives annual entitlement grant funds from the US Department of Housing and Urban Development (HUD). Montgomery County must submit a Five-Year Consolidated Plan and an Annual Action Plan to HUD for approval in order to utilize these funds.

The Five-Year Consolidated Plan establishes the goals and objectives that the County wishes to accomplish in order to develop viable communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally for low-and moderate-income persons.

The Annual Action Plan details the activities the County will pursue with the federal funds in order to meet the specific goals and objectives outlined in the Consolidated Plan.

PURPOSE OF PUBLIC HEARING

- To provide an overview of the proposed projects included in the GY2024, FY2025 Annual Action Plan which covers the period of October 1, 2024 thru September 30, 2025.
- To give the public an opportunity to comment on the GY2024, FY2025 Annual Action Plan.

2024 ANNUAL ALLOCATIONS

Grant	Funding
CDBG	$2,854,565.00
HOME	$670,649.00
HESG	$236,723.00

5-YEAR PLAN PRIORITY NEEDS

- Public Services
- Public Infrastructure Improvements
- New Park Development & Improvements to Existing Parks
- Affordable Housing
- Removal of Slum & Blight
- Planning & Administration

2024 ANNUAL PLAN BUDGET

Goal	Funding Source	Total All
Planning & Administration	CDBG: $570,913.00 HOME: $67,065.00 ESG: $8,877.00	$646,855.00
Public Services	CDBG: $428,184.00 ESG: $227,846.00	$656,030.00
New Park Development	CDBG: $1,179,943.00	$1,179,943.00
Development and Preservation of Affordable Housing	CDBG: $10,000.00 HOME: $603,584.00	$613,584.00
Public Facility Development & Improvements	CDBG: $665,525.00	$665,525.00

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ALLOCATIONS

LOCATION	DESCRIPTION	AMOUNT ALLOCATED
N/A	CDBG Administration	$ 570,913.00
County-Wide	Housing Rehab Project Delivery	$ 10,000.00
Com Pct 1	Com Pct 1 Community Center	$ 665,525.00
Com Pct 4	Com Pct 4 Park	$ 1,179,943.00
Com Pct 2	Public Services- Senior Transport Vehicle	$ 110,000.00
County-Wide	Access Builds Children Public Services	$ 10,000.00
County-Wide	Children's Safe Harbor Public Services	$ 60,000.00
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County-Wide	Society of Samaritans Public Services	$ 62,184.00
County-Wide	Society of St Vincent De Paul Public Services	$ 60,000.00
	TOTAL CDBG	**$ 2,854,565.00**

HOME INVESTMENT PARTNERSHIP (HOME) ALLOCATIONS

LOCATION	DESCRIPTION		AMOUNT ALLOCATED
N/A	HOME Administration		$ 67,065.00
Montgomery	Walker-Montgomery County CHDO		$ 225,000.00
County-Wide	Easter Seals Down Payment Assistance		$ 378,584.00
		TOTAL HOME	**$ 670,649.00**

EMERGENCY SOLUTIONS GRANT (ESG) ALLOCATIONS

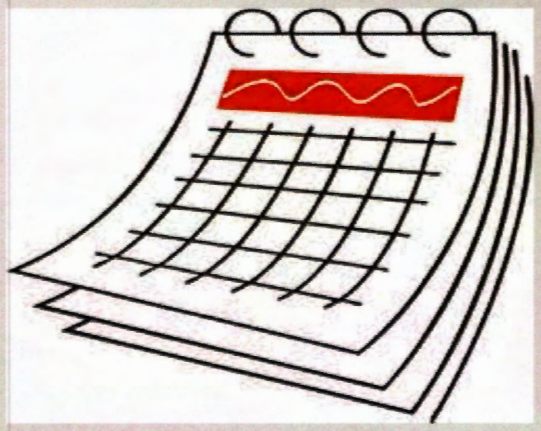
LOCATION	DESCRIPTION	AMOUNT ALLOCATED
N/A	ESG Administration	$ 8,877.00
County-Wide	Family Promise Public Services	$ 32,500.00
County-Wide	The Salvation Army Public Services	$ 40,000.00
County-Wide	MCYS dba YES to Youth Public Services	$ 81,133.50
County-Wide	Catholic Charities Public Services	$ 20,000.00
County-Wide	Humble Area Assistance Ministries Public Services	$ 54,212.50
	TOTAL ESG	**$ 236,723.00**

NEXT STEPS.....

July 30: 30-day public comment period ends

August 13: Commissioners Court Approval

August 15: Submission of Annual Action Plan to HUD



FOR MORE INFORMATION

501 North Thompson, Suite 200
Conroe, TX 77301

CDBG.MCTX@MCTX.ORG

WWW.MCTX.ORG

936-538-8060



QUESTIONS AND/OR COMMENTS



Consent-Grants & Community Develop

Commissioners Court-Regular Meeting

TO: Montgomery County Commissioners Court

FROM: Rebecca Ansley, Director

DATE: 08/13/2024

SUBJECT: Consider and approve the GY2024-FY2025 Annual Action Plan and authorize actions to implement the plan. Authorize County Judge Mark J. Keough to sign documents related to the plan, and authorize Rebecca Ansley to accept grant funds once awarded.

Attachments

GY2024-FY2025 MCCD Annual Action Plan

Montgomery County, TX

PY 2024 ANNUAL ACTION PLAN

Attachment 3 Montgomery County Policies & Procedures

Montgomery County Grants and Community Development

Citizens Advisory Committee Policies & Responsibilities

Updated 1/12/2022

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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 w·1th 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-Vear 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

MC Community Development Advisory & Grievance Committee

Job Description/Duties

Review all annual HUD CDBG, HOME, & ESG grant applications received by MCCD by non-profit agencies in MC. Attend three separate, consecutive evening presentations, either in person at the Lone Star Convention Center, or virtual via Zoom, where agencies will present their grant applications to the committee members in public, and answer a Q&A session afterward. The committee members meet with the MCCD Director to discuss the presentations and funds available and decide on which agencies to fund. The Director and members of the committee may discuss in further detail after the conclusion of those evenings. Each of those 3 night meetings begin at approximately 5:30 and have gone up to 9:00 pm in the past. Each member must sign off on their recommendation and submit them to the Director in person or via email for accuracy.

The members are also part of the MCCD Grievance/Appeals committee. When a client or agency files a complaint, on any of our programs, they are able to do so by writing a letter to this department, addressed to the Grievance Committee. The Director then notifies the Committee, via email, that a complaint was received. The complaint and all of the substantiating backup documentation is then sent to the Committee for review and make a decision. Those responses are then sent to the complainant, who has the option to take the issue further if they choose, by contacting HUD, who would make a final decision. These may be handled electronically, although not required. All Committee members are not required to participate, and the decision is based as majority rules.

Time Commitment

It is at least a yearlong commitment. The majority of actual hands on time is in April and May, when the grant applications are presented. It is recommended that the committee meet quarterly to receive updates on projects.

Committee members are chosen by each Precinct Commissioner and the County Judge (2 each). They are typically chosen whenever a new member of Commissioners Court is elected, or if one of the Committee Members chooses to step down, or if they pass away. There have been no term limits set by Commissioners Court.

#3 941

November 2022

Adopted:

JAN 2 4 2023

[redacted]

Montgomery County, TX

AMENDED CITIZEN PARTICIPATION PLAN

AMENDED
CITIZEN PARTICIPATION PLAN

RELATING TO THE ADMINISTRATION OF

THE COMMUNITY PLANNING & DEVELOPMENT PROGRAMS

OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

Public Comment Period from December 7, 2022 to December 22, 2022

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CITIZEN PARTICIPATION PLAN

A. Introduction

1. Purpose

Pursuant to the citizen participation requirements of 24 CFR Section 91.105 and 24 CFR Part 5, the Montgomery County, TX (referred to as the "County") sets forth the following amended Citizen Participation Plan (the "Plan") as it relates to the administration of the Community Planning and Development (CPD) programs funded by the U.S. Department of Housing and Urban Development (HUD). The Plan presents the County's plan for providing for and encouraging all citizens to participate in the development, revision, amendment, adoption, and implementation of the following plans and programs:

- The Citizen Participation Plan (CPP)
- The Consolidated Plan (CP)
- The Annual Action Plan (AAP)
- Analysis of Impediments to Fair Housing Choice (AI)
- The Consolidated Annual Performance and Evaluation Report (CAPER)
- The Section 108 Loan Guarantee Program (Section 108)

2. Lead Agency and Contact Person

The Montgomery County Community Development Department is the lead agency responsible for the administration of the Community Development Block Grant (CDBG) Program, the Home Investment Partnerships Program (HOME) and the Emergency Solutions Grant (ESG) Program. All communication regarding the documents covered by this Plan, comments, complaints, reasonable accommodation for disabled persons, translation services, or other elements shall be directed to:

Montgomery County Community Development Department
Director of Grants & Community Development
501 N. Thompson Ste 200
Conroe TX 77301
936-538-5594
CDBG.MCTX@MCTX.ORG

3. Effective Date

Subsequent to approval of the CPP by County Commissioner's Court and HUD, this Plan shall be effective until it is amended or otherwise replaced.

B. Encouragement of Citizen Participation

1. General

The County provides for and encourages citizens to participate in the development, revision, amendment, adoption and implementation of the Citizen Participation Plan, the Consolidated Plan (CP), the Annual Action Plan, the Analysis of Impediments to Fair Housing Choice (AI), the CAPER, and the Section 108 Loan Guarantee Program. The County encourages participation by low- and moderate-income persons, particularly those living in areas designated as revitalization areas or in slum and blighted areas and in areas where HUD funds are proposed to be used, and by residents of predominantly low- and moderate- income neighborhoods. With respect to the public participation

initiatives included in this Plan, the County will take appropriate actions to encourage the participation of all of its citizens, including minorities, non-English speaking persons, and persons with disabilities, as described below.

2. Non-English Speakers

The County has determined that, based on 2016-2020 American Community Survey data, 3.3% percent of residents speak English less than very well. Upon request, materials will be provided in Spanish.

3. Persons with Disabilities

To encourage the participation of persons with disabilities, the County will include the following language in all public meeting notices published in the Conroe Courier

> *The Montgomery County will make reasonable accommodations and services necessary for sensory-impaired and disabled citizens at the public meeting. Additionally, translation services may be offered upon request and availability. Persons requiring such accommodations/services should contact the County's Department of Community Development at least five working days in advance of the meeting at CDBG.MCTX@MCTX.ORG or 936-538-8060.*

The County will conduct all public meetings in locations that are handicapped-accessible, when available.

4. Low- and Moderate-Income Persons

The County will conduct at least one public meeting in a neighborhood that contains at least 51% low- and moderate-income residents, based on current HUD data, during the development of the Consolidated Plan and the Annual Action Plan.

5. Organizations and Agencies

The County encourages the participation of local and regional institutions, the Continuum of Care, businesses, developers, nonprofit organizations, philanthropic organizations, and community-based and faith-based organizations in the process of developing, revising, amending, adopting and implementing all documents covered by the CPP. This will be achieved through stakeholder interviews, focus groups and/or public meetings.

6. Local Public Housing Authority

The County, in consultation with Montgomery County Housing Authority (MCHA), encourages the participation of residents of any public housing developments located within the County in the process of developing, revising, amending, adopting and implementing the documents covered by this Plan. The County will provide information to the Executive Director of the County Housing Authority about the Consolidated Plan and subsequent Annual Action Plan activities related to the public housing developments and communities so that MCHA can make this information available at the annual public hearings required for its Agency Plan.

7. Public Notices

Public review/comment periods and public hearings held in the process of developing, revising, amending, adopting and implementing the documents covered by the CPP shall be advertised in the Conroe Courier no less than 10 days prior to when the public hearing is held, or the public comment begins.

8. Public Hearings
All public hearings will be scheduled at times and locations, either in-person and or virtually, that are convenient for potential and actual program beneficiaries, and with accommodation for persons with disabilities and non-English speakers in accordance with the CPP.

9. Technical Assistance
The County's Community Development Department staff are available to assist organizations and other eligible individuals that are interested in submitting a proposal to obtain funding through the CDBG, HOME and ESG programs. All potential applicants are strongly encouraged to contact the Community Development Department for technical assistance before initiating a funding request application. The Community Development Department contact information can be obtained at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php

10.Online Access
The County will post draft copies and final copies of all documents covered by the CPP on its website: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php

11.Other Engagement Techniques
The County's Community Development Department may, as needed, hold virtual CP and AAP community and stakeholder engagement meetings and or events in order to potentially engage those residents who might not be able to attend such meetings in-person. The CPP may be amended as the County continues to gain access to technology that improves the avenues of participation by its residents.

12.County Contact Person
All communication regarding the CPP, CP, AAP Plan, AI, CAPER, project environmental reviews, or public comments or complaints, reasonable accommodation for disabled persons, translation services, or other elements of HUD entitlement programs and activities shall be directed to: The Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301, 936-538-5594.

C. The Citizen Participation Plan

1. Citizen Participation Plan Development
The County's public review procedure when developing its Citizen Participation Plan (CPP) is as follows:

a. Public Review of the Draft CPP
The draft Citizen Participation Plan will be made available for public review for a 15-day period prior to Commissioner's Court consideration and adoption and may be done concurrently with the public review and comment process for the Consolidated Plan. Copies of the draft Citizen Participation Plan will be made available for review at the following locations:

- The Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301
- County website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php
- The Montgomery County Public Libraries
- The Montgomery County Community Development Centers

b. Comments Received on Draft Amended CPP

Written comments will be accepted by the County's Director of Community Development, or a designee, during the 15-day public review period.

c. Public Hearing

The County will conduct a public hearing to review and accept public comments on the draft Amended CPP prior to its approval and submittal to HUD. This public hearing may be held concurrently with the public hearing held in conjunction with the Consolidated Plan.

d. Commissioners Court Action

Following the public hearing, the Plan will be presented to Commissioner's Court for consideration and formal action.

e. Submission to HUD

A copy of the Citizen Participation Plan, including a summary of all written comments and those received during the public hearing as well as the County's responses and proof of compliance with the minimum 15-day public review and comment period requirement, will be submitted to HUD. A summary of any comments or views not accepted and the reasons therefore shall be supplied to HUD as well.

2. Amendments to the Approved Citizen Participation Plan

The County shall follow the following procedure to amend its approved Citizen Participation Plan (CPP), as needed.

a. Amendment Considerations

The County will amend the CPP, as necessary, to ensure adequate engagement and involvement of the public in making decisions related to its federal funding programs. Substantial amendments to the CPP may be required should a provision of the CPP be found by the County to conflict with HUD regulations, or when changes in HUD regulations occur, or based on current HUD guidance. Edits to the CPP that only include updated contact information or editorial changes for clarity will not be released for public review and comment.

b. Draft Amended CPP Review

The draft amended CPP will be made available for public review for a 15-day period prior to Commissioners Court consideration and adoption and may be done concurrently with the public review and comment process for the Consolidated Plan or an Annual Action Plan. Copies of the draft and final Amended CPP will be made available for review at the following locations:

- The Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301
- County website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php
- The Montgomery County Public Libraries
- The Montgomery County Community Development Centers

c. Comments Received on Draft Amended CPP

Written comments will be accepted by the Director of the Community Development Department, or a designee, during the 15-day public review period.

d. Public Hearing

The County will conduct a public hearing to review and accept public comments on the draft Amended CPP prior to its approval and submittal to HUD. This public hearing may be held concurrently with the public hearing held in conjunction with the Consolidated Plan and Annual Action Plan.

e. Commissioners Court Action

Following the public hearing, the CPP will be presented to Commissioner's Court for consideration and formal action.

f. Submission to HUD

A copy of the Amended Citizen Participation Plan, including a summary of all written comments and those received during the public hearing as well as the County's responses and proof of compliance with the minimum 15-day public review and comment period requirement, will be submitted to HUD. A summary of any comments or views not accepted and the reasons therefore shall be supplied to HUD as well.

g. Plan Access

The approved CPP and any amendments will be kept on file in the Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301. The Plan can be accessed online at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php.

Hard copies can be made available to those requesting the CPP by contacting the County's Director of Community Development, or a designee.

h. In the Event of an Emergency

In the event of a local, state or federally declared disaster or emergency or pandemic where public places may be closed to the public or in-person participation may not be feasible or large gatherings may be considered a public health risk, the County may opt to forgo the public hearing for amendments to its CPP. The length of public comment for amendments to the Citizen Participation Plan shall be no less than five (5) days. Draft documents for public comment and review will be made available on the County's website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php. Copies of the draft documents will be mailed or e-mailed upon request, if possible.

D. The Consolidated Plan (CP)

1. CP Development

The County will follow the process and procedures described below in the development of its CP.

a. CP Stakeholder Consultation and Citizen Outreach

In the development of the CP, the County will consult with other public and private agencies including, but not limited to, the following:

- County Housing Authority
- Other assisted housing providers
- Social service providers including those focusing on services to minorities, people with low-and moderate household income, families with children, the elderly, persons with disabilities, persons with HIV/AIDS and their families, homeless persons, and other protected classes
- Continuum(s) of Care that serve(s) the jurisdiction
- Community-based and regionally based organizations that represent protected class members and organizations that enforce fair housing laws
- Regional government agencies involved in metropolitan-wide planning and transportation responsibilities
- Business and civic leaders
- Broadband internet service providers and organizations engaged in narrowing the digital divide
- Agencies whose primary responsibilities include the management of flood prone areas, public land or water resources
- Emergency management agencies.

When preparing the portion of the CP concerning lead-based paint hazards, the County shall consult with local or state health and child welfare agencies and examine existing data related to lead-based paint hazards and poisonings, including health department data on the addresses of housing units in which children have been identified as lead-poisoned.

When preparing the description of priority non-housing community development needs, the County will notify adjacent units of local government, to the extent practicable. This shall involve, at a minimum, the County sending a letter to the chief elected official of each adjacent unit of government notifying them of the draft CP and how to access a copy online for review and comment.

A variety of mechanisms may be utilized to solicit input from these persons/service providers /agencies/ entities. These include written letters, telephone or in-person interviews, mail surveys, internet-based feedback and surveys, focus groups, and/or consultation workshops.

b. CP Public Hearings

The County will conduct at least two public hearings in the development of the CP. The first public hearing will be conducted before the draft CP is published for public comment, during which the County will address housing and community development needs, development of proposed activities, the amount of assistance the County expects to receive (including grant funds and program income), the range of activities that may be undertaken, including the estimated amount that will benefit low- and moderate-income residents, and a review of program performance.

The second public hearing will be conducted during or after the 30-day public comment period during which the County will address identified housing and community development needs and proposed eligible activities.

The County shall provide hearing notices to local nonprofit agencies, subrecipients, MCHA, and other interested groups and residents (see Section D.1.a above).

c. CP Potential Displacement of Persons

Although the County does not anticipate any residential displacement to occur in the foreseeable future, it is required to describe its plans to minimize the displacement of persons and to assist any

persons displaced. When displacement is unavoidable on a temporary or permanent basis, the County will comply with the federal Uniform Relocation Act.

Should displacement of residents be necessary as a result of the use of funds covered by this CPP, the County shall compensate residents who are actually displaced in accordance with *HUD Handbook No. 1378, Tenant Assistance, Relocation and Real Property Acquisition*.

This resource is accessible online at:
https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/13780

d. CP Public Display and Comment Period

The draft CP will be placed on display for a period of no less than 30 days to encourage public review and comment. The public notice shall include a brief summary and purpose of the CP; the anticipated amounts of funding (including program income, if any); proposed activities likely to result in displacement, if any; plans for minimizing the displacement of persons as a result of CDBG , HOME or ESG activities, if any; plans to assist persons actually displaced by the project, if any; the dates of the public display and comment period; the locations where copies of the draft CP can be examined; how comments will be accepted; when the document will be considered for action by Commissioners Court; and, the anticipated submission date to HUD. Copies of the draft CP will be made available for review at the following locations:

- The Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301
- County website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php
- The Montgomery County Public Libraries
- The Montgomery County Community Development Centers

e. Draft CP Comments Received

Written comments will be accepted by the Director of the County's Department of Community Development, or a designee, during the 30-day public display and comment period. The County will consider any comments or views of County residents received in writing, or orally at the public hearings, in preparing the final CP. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, will be attached to the final CP for submission to HUD.

f. Commissioners Court Action on CP

Following the public hearing, the CP will be presented to the Commissioner's Court for consideration and formal action.

g. Submission to HUD

The CP will be submitted to HUD no less than 45 days before the start of the County's five-year program cycle.

2. Revisions to the CP

The County shall follow the following procedure to revise its CP, as needed.

a. Revision Considerations

There are two types of amendments that may occur with the CP: minor amendments and substantial amendments.

1) Minor Amendment
   - When funds are added to an approved eligible activity that do not exceed $25,000
   - When the scope of an approved eligible activity has changed, however the service area, site, accomplishments and or beneficiaries does not change.

2) Substantial Amendment:
   An amendment to the approved CP is considered substantial under the following circumstances:
   - When a new eligible activity is added
   - When an approved activity is deleted
   - When there is a change in the priorities identified in the CP
   - When funds are added to an approved eligible activity that exceed $25,000

All other changes that do not meet the criteria defined above will be considered minor amendments and can be reviewed and approved by the Director, Community Development Department and will not be subject to public comments and/or a public comment period. These changes will be fully documented and signed off by the Director, Community Development Department.

The County may choose to submit a copy of each amendment to the CP to HUD as it occurs, or at the end of the program year. Letters transmitting copies of amendments will be signed by the Director, Community Development Department.

b. CP Public Display and Comment Period

The draft revised CP will be placed on display for a period of no less than 30 days to encourage public review and comment. The public notice shall include a brief summary of the revisions, the dates of the public display and comment period, the locations where copies of the proposed revised CP can be examined, how comments will be accepted, when the document will be considered for action by Commissioners Court, and the anticipated submission date to HUD. Copies of the draft Revised CP will be made available for review at the following locations:

- The Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301
- County website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php
- The Montgomery County Public Libraries
- The Montgomery County Community Development Centers

c. Public Hearing

The County will conduct a public hearing to review and accept public comments on the draft Amended Plan prior to its approval and submittal to HUD. This public hearing may be held concurrently with the public hearing held in conjunction with the Consolidated Plan.

d. Comments Received on the Draft Revised Consolidated Plan

Written comments will be accepted by the County's Director of Community Development, or a designee, during the 30-day public display and comment period. The County will consider any

comments or views of County residents received in writing, or orally at public hearings, in preparing the final Revised CP. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, will be attached to the final Revised CP for submission to HUD.

e. Commissioners Court Action

Following the public hearing, the Revised CP will be presented to Commissioner's Court for consideration and formal action.

f. Submission to HUD

The Revised CP/Amendment will be submitted to HUD following the end of the public display and comment period and adoption by Commissioners Court.

3. In the Event of a Disaster or Emergency

In the event of a local, state or federally declared disaster or emergency where public places may be closed to the public or in-person participation may not be feasible or large gatherings may be considered a public health risk, the County may opt to conduct public hearings and meetings virtually via conference call or live web-streaming with the ability to provide comment and ask questions and receive a response in a timely manner. Accommodations will be made for persons with disabilities and non-English speaking persons upon request. Documents for public review will be shared via the County's website. This provision shall apply to all documents covered by this Plan.

a. Public Review

In the event of an emergency, the following alternatives may be instituted by the County:

- The length of the public comment and display period for the Consolidated Plan or Annual Action Plan and Substantial Amendments shall be no less than five (5) days.
- Draft documents for public comment and review will be made available on the County's website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php
- Copies of the draft documents will be mailed or e-mailed upon request, if possible.
- Public meetings may be held as virtual meetings using local cable access television or other online platforms for public viewing with the option to provide comment and questions ahead of time or during the meeting, and responses will be provided in a timely manner.
- The County may opt to hold one public hearing during the Consolidated Plan/Annual Plan process and its second required public hearing during the CAPER process for the same program year.

a. Plan Access

The revised CP will be kept on file at the Department of Community Development, 501 N. Thompson Ste. 200, Conroe TX 77301 and on the Montgomery County website:
https://www.mctx.org/departments/departments_a_-_c/community_development/index.php

Hard copies can be made available to those requesting the Plan by contacting the County's Director of Community Development, or a designee.

E. The Annual Action Plan (AAP)

The Annual Action Plan (AAP) is a component of the Consolidated Plan, and it describes the County's proposed use of available federal and other resources to address the priority needs and specific objectives in the CP for each program year; the County's method for distributing funds to local non-profit organizations; and, the geographic areas of the County to which it will direct assistance.

1. Plan Development

The County will follow the process and procedures described below in the development of its AAP.

a. Public Hearings

The County will conduct at least two public hearings during the development of the AAP. The first public hearing will be conducted before the AAP draft is published for public comment. During the first public hearing, the County will address housing and community development needs, development of proposed activities, the amount of assistance the County expects to receive (including grant funds and program income), the range of activities that may be undertaken, including the estimated amount that will benefit low- and moderate-income residents, and a review of program performance.

The second public hearing will be conducted during or after the 30-day public comment period during which the County will address identified housing and community development needs, proposed eligible activities, and proposed strategies and actions for affirmatively furthering fair housing, consistent with the Analysis of Impediments to Fair Housing.

Both public hearings conducted for the Year 1 AAP may be conducted concurrently with the required public hearings for the five-year Consolidated Plan.

b. Public Display and Comment Period

The draft AAP will be placed on display for a period of no less than 30 days to encourage public review and comment. The public notice shall include a brief summary of the AAP, the anticipated amounts of funding (including program income, if any), the dates of the public display and comment period, the locations where copies of the draft AAP can be examined, how comments will be accepted, when the document will be considered for action by Commissioners Court, and the anticipated submission date to HUD. Copies of the draft AAP will be made available for review at the following locations:

- The Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301
- County website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php
- The Montgomery County Public Libraries
- The Montgomery County Community Development Centers

c. Comments Received on the Draft Annual Action Plan

Written comments will be accepted by the County's Director of Community Development, or a designee, during the 30-day public display and comment period. The County will consider any comments or views of County residents received in writing or orally at the public hearings in preparing the final AAP. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, will be attached to the final AAP for submission to HUD.

d. Commissioner's Court Action

Following the public hearing, the AAP will be presented to Commissioner's Court for consideration and formal action.

e. Submission to HUD

The AAP will be submitted to HUD no less than 45 days before the start of the County's annual program year.

2. Revisions to the Annual Action Plan

The County shall follow the following procedure to revise its AAP, as needed.

a. Revision Considerations

There are two types of amendments that may occur with the AAP: minor amendments and substantial amendments. An amendment to the approved AAP is considered substantial under the following circumstances:

- When an eligible activity is added or deleted
- When a change occurs in the purpose, location, or beneficiaries of an activity previously approved
- When a 50 percent change in federal funding occurs where the project is $25,000 or less
- When a 25 percent change in federal funding occurs where the project is more than $25,000.

All other changes to funding allocations or approved eligible activities that do not meet the criteria defined above will be considered minor amendments, will be reviewed and approved by the County's Community Development Department and will not be subject to public comments. These changes will be fully documented and signed by the Director of Community Development.

The County may choose to submit a copy of each substantial amendment to the AAP to HUD as it occurs, or at the end of the program year. Letters transmitting copies of amendments will be signed by the Director of Community Development.

b. Public Display and Comment Period

The draft Revised AAP will be placed on display for a period of no less than 30 days to encourage public review and comment. The public notice shall include a brief summary of the

revisions, the dates of the public display and comment period, the locations where copies of the draft AAP can be examined, how comments will be accepted, when the document will be considered for action by Commissioners Court, and the anticipated submission date to HUD. Copies of the draft Revised AAP will be made available for review at the following locations:

- The Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301
- County website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php
- The Montgomery County Public Libraries
- The Montgomery County Community Development Centers

c. Public Hearing

The County will conduct a public hearing to review and accept public comments on the draft Amended Plan prior to its approval and submittal to HUD. This public hearing may be held concurrently with the public hearing held in conjunction with the Consolidated Plan.

d. Comments Received on the Draft Revised Annual Action Plan

Written comments will be accepted by the County Contact Person, or a designee, during the 30-day public display and comment period. The County will consider any comments or views of County residents received in writing, or orally at public hearings, in preparing the final Revised AAP. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, will be attached to the final Revised AAP for submission to HUD.

e. Commissioners Court Action

Following the public hearing, the Revised AAP will be presented to the Commissioner's Court for consideration and formal action.

f. Submission to HUD

The Revised AAP will be submitted to HUD following the end of the public display and comment period.

3. In the Event of a Disaster or Emergency

In the event of a local, state or federally declared disaster or emergency where public places may be closed to the public or in-person participation may not be feasible or large gatherings may be considered a public health risk, the County may opt to conduct public hearings and meetings virtually via conference call or live web-streaming with the ability to ask questions and provide comment in real time where public comment is required to be heard. Accommodations will be made for persons with disabilities and non-English speaking persons upon request. Documents for public review will be shared via the County's website. This provision shall apply to all documents covered by this Plan.

- The length of the public comment and display period for the Consolidated Plan or Annual Action Plan and Substantial Amendments shall be no less than five (5) days.
- Draft documents for public comment and review will be made available on the County's website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php
- Copies of the draft documents will be mailed or e-mailed upon request, if possible.

- Public meetings may be held as virtual meetings using local cable access television or other online platforms for public viewing with the option to provide comment and questions ahead of time or during the meeting, and responses will be provided in a timely manner.
- The County may opt to hold one public hearing during the Consolidated Plan/Annual Plan process and its second required public hearing during the CAPER process for the same program year.

a. Plan Access

The Revised AAP will be kept on file at the Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301, 936-538-5594.

The Plan can be accessed online at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php. Hard copies can be made available to those requesting the Plan by contacting the County's Director of Community Development, or a designee.

F. Consolidated Annual Performance and Evaluation Report (CAPER)

1. Report Development

The County shall follow the following procedure in the drafting and adoption of its Consolidated Annual Performance and Evaluation Report (CAPER).

a. Report Considerations

The Community Development Department will evaluate and report the accomplishments and expenditures of the previous program year for CDBG, HOME and ESG funds and draft the CAPER in accordance with HUD requirements.

b. Public Display and Comment Period

The draft CAPER will be placed on display for a period of no less than 15 days to encourage public review and comment. Public notice of the display and comment period will be published in the Conroe Courier no less than 10 days before the comment period begins with accommodation for persons with disabilities and non-English Spanish speakers in accordance with this Plan. The public notice shall include a brief summary and purpose of the CAPER, a summary of program expenditures, a summary of program performance, the dates of the public display and comment period, the locations where copies of the draft CAPER can be examined, how comments will be accepted, and the anticipated submission date to HUD. Copies of the draft CAPER will be made available for review at the following locations:

- The Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301
- County website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php
- The Montgomery County Public Libraries
- The Montgomery County Community Development Centers

c. Comments Received on the Draft CAPER

Written comments will be accepted by the County's Director of Community Development, or a designee, during the 15-day public display and comment period. The County will consider any comments

or views of County residents received in writing in preparing the final CAPER. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, will be attached to the final CAPER for submission to HUD.

d. Submission to HUD

The CAPER will be submitted to HUD within 90 days following the last day of the County's annual program year.

e. Plan Access

The CAPER will be kept on file at the Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301, 936-538-5594.

The Plan can be accessed online at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php

Hard copies can be made available to those requesting the Plan by contacting the County's Director of Community Development, or a designee.

G. Section 108 Loan Guarantee Program

a. Development of Section 108 Loan Guarantee Application

Applications for assistance filed by the County for Section 108 Loan Guarantee assistance authorized under HUD regulation 24 CFR Part 570, Subpart M, are subject to all provisions set forth within this Plan. Such applications for Section 108 assistance may be included as part of the Consolidated Planning process or may be undertaken separately anytime during the County's program year.

Before the County submits an application for Section 108 loan guarantee assistance, the County will make available to citizens, public agencies and other interested parties information that includes the amount of assistance the County expects to be made available (including program income), the range of activities that may be undertaken, the estimated amount that will benefit persons of low- and moderate-income, and any activities likely to result in displacement.

b. Public Display and Comment Period

The County will publish its proposed Section 108 loan application for review and comment. The public notice shall include a summary describing the contents and purpose of the application and listing the locations where the entire application may be examined. An application for Section 108 Loan Guarantee funding shall be made available for public review for a 30-day period prior to consideration and submission to HUD and may be done concurrently with the public review and comment process for the Consolidated Plan.

Copies of the proposed Section 108 loan application will be made available for review at the following locations:

- The Montgomery County Community Development Department, 501 N. Thompson Ste 200, Conroe TX 77301
- County website at: https://www.mctx.org/departments/departments_a_-_c/community_development/index.php

- The Montgomery County Public Libraries
- The Montgomery County Community Development Centers

c. Comments Received on the Proposed Section 108 Application

Written comments will be accepted by the County's Director of Community Development, or a designee, during the 30-day public display and comment period. The County will consider any comments or views of County residents received in writing in preparing the final application. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons why, will be attached to the final application for submission to HUD.

d. Submission to HUD

The Section 108 Loan Application will be submitted to HUD.

2. Complaints

Residents may register complaints regarding any aspect of the CDBG, HOME and ESG programs by contacting the County's Director of Community Development, or a designee at:

Montgomery County Community Development
501 North Thompson, Suite 200
Conroe, TX 77301
CDBG.MCTX@MCTX.ORG

All written complaints received will be addressed in writing within 15 days.

Residents wishing to object to HUD approval of the final Consolidated Plan, Annual Action Plan or any other documents identified in this Plan may send written objections to the HUD Field Office at:

U.S. Dept of Housing & Urban Development
Houston Field Office
1331 Lamar Street, Suite 550
Houston, TX 77010

Any written objections should be made within 30 days after the County has submitted any of the documents covered by this Plan to HUD. Any objections made will only be submitted to HUD for the following reasons:

- The applicant's description of needs and objectives is plainly inconsistent with available facts and data.
- The activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant.
- The application does not comply with the requirements of the CDBG, HOME and ESG programs or other applicable laws.
- The application's proposed activities which are otherwise ineligible under the program regulations.

Objections shall include both an identification of requirements not met and available facts and data.

Montgomery County Grants and Community Development

Continuity of Operations Plan

Updated 8/2/2023

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

Annex 9
Montgomery County, Texas
COMMUNITY DEVELOPMENT

Introduction

This annex to the Montgomery County, Texas Continuity of Operations (COOP) Plan provides guidance for Community Development (department) in carrying out responsibilities and ensuring that mission essential functions are continued during an emergency or threat that affects normal operations.

Information in this annex is designated as "***for official use only (FOUO)"*** and should be handled as sensitive information that is not to be disclosed. This document should be safeguarded, handled, transmitted, and stored in accordance with appropriate security directives.

This COOP plan annex works within the broader context of the Montgomery County COOP Plan. The annex also provides guidance to the department on performing mission essential functions during an emergency and providing for the safety and well-being of department employees.

The following mission essential functions were included in the planning process:

- Federal grant administration and oversight

Purpose

This COOP plan annex will facilitate the department's ability to perform its mission essential functions despite incidents that affect operations, including IT system outages, reduced staffing, or any incident that requires the department to relocate.

The department must be prepared to provide essential services throughout the spectrum of possible threats, whether natural or human-caused. Executing this COOP plan annex will help to mitigate the effects of hazards and will implement measures to help preserve life, minimize damage, enhance response, and facilitate recovery to an operational status.

Mission Essential Functions

This COOP plan annex is based on the department's mission essential functions. It serves as an operational guide to facilitate the relocation of department staff to a continuity facility and the backup of critical systems, resources, and vital records so that mission essential functions may continue. The level and manner of support needed to continue mission essential functions depends on the nature of an incident. Tab A includes a list of department mission essential functions and their supporting elements. Mission essential function supporting elements include the following:

- Key personnel required to execute the function
- Level of priority assigned to the function
- Frequency associated with the function
- Critical resources (including equipment, hardware, and software) required to reestablish the function
- Vital files, records, and databases required to reestablish the function
- Additional external contacts and vendors, including the names and contact information of persons and outside vendors that may need to be contacted if there is a major disruption to services and the department must move to a continuity facility.

Orders of Succession and Delegations of Authority

The department has identified successors and pre-delegated authorities for making policy decisions. All such pre-delegations specify what the authority covers, what limits have been placed upon exercising the authority, which successor will have the authority, and under what circumstances, if any, the authority may be delegated.

Table 1
Orders of Succession

	Position	Name
Primary	Director	Rebecca Ansley
Backup #1	Assistant Director	Amanda Vance
Backup #2	Administrative Manager	Wendy Dow

Process for activating orders of succession:

- If the Department Director is temporarily unable to perform her duties, the Assistant Director will serve in the Department Director's capacity until the Department Director returns. If the Assistant Director is unable to serve in the Department Director's capacity, the Administrative Manager can fulfill leadership responsibilities of the department. If the Department Director is unable to return to duty, the Commissioner's Court would name a successor.

Delegations of Authority

Delegations of authority ensure rapid response to an emergency that may require policy determinations and decisions under difficult circumstances. In preparation for emergencies, the department has taken the following actions:

- Identified which authorities can and should be delegated
- Identified limitations of the delegations
- Documented to whom authority should be delegated

Table 2
Delegations of Authority

Task	Primary	Backup	Limitations
Timesheet approval	Administrative Manager	Assistant Director Finance Coordinator	None
Purchases	Administrative Manager	Assistant Director Finance Coordinator	None
Housing Rehabilitation	Construction Administrator	Program Coordinator	NA
Grants monitoring	Finance Coordinator	Program Coordinator	None
Case Management	Program Coordinator	Finance Coordinator	NA

Continuity Facilities

The department recognizes that normal operations may be disrupted and that there may be a need to perform mission essential functions at a continuity facility.

Table 3
Continuity Facilities

Primary Facility	Alan B. Sadler Commissioners' Court Building, 501 North Thompson, Ste 200 Conroe, Texas
Continuity Facility 1	Telework
Continuity Facility 2	TBD

COOP Plan Execution

Once a declared state of emergency or a major disruption to the department functions exists, it is considered to be a period of COOP plan execution. The COOP Planning and Activation Team will determine the actions necessary in executing the COOP plan. To assist the department in coordinating execution of the COOP plan at the departmental level, job aids that include a COOP plan implementation checklist and a relocation checklist are located in tab C. These job aids detail the specific tasks to be assigned during the activation and relocation, continuity operations, and reconstitution COOP plan periods. Additional information regarding the COOP plan operational periods can be found in the Concept of Operations Section of the Montgomery County COOP Plan.

Alert and Notification

Emergency Notification

Because many incidents that would trigger activation of the department's COOP plan will be sudden or unexpected, rapid notification of key personnel is necessary to initiate the procedures that will ensure continuity of mission essential functions. If immediate notification of staff is needed, the Department Director will initiate notification of department staff. The department maintains a call list of staff. The department also uses in-person communications, e-mail, text, and Microsoft TEAMS to provide information to staff.

Internal Call List

Tab B includes an internal call list that contains the contact information for department personnel. The internal call list will be used to contact personnel if the department experiences a situation that causes a major disruption to the department's functions or requires the department to relocate to a continuity facility.

Risk Mitigation Recommendations

The department has conducted an internal review of potential function-based and operations-based risks and vulnerabilities. Key personnel must be familiar with the risks and vulnerabilities of department operations and recognize how the risks apply to the mission essential functions they are responsible for executing. Understanding how the risks may affect their ability to implement the department's COOP plan annex before an incident occurs will give key personnel the opportunity to consider mitigation strategies that can be used to alleviate some or all of the risks. Tab D includes risk mitigation recommendations for risks identified by the department.

Tab A
MISSION ESSENTIAL FUNCTIONS

Department/Office	MC Community Development
Mission Essential Function Details	
Function Name	Federal Grant Administration and Oversight
Detailed Description of Function	Oversee Federal Grants Received by Montgomery County to Assist Low/Moderate Income Community
Recovery Time Objective	7–14 days
Frequency	Monthly
Peak Period	
Does this function meet a legal or statutory requirement?	Yes
WWW.HUD.GOV	
Is certification or licensure required to execute this function?	No

Key Personnel

Personnel Type	Title (Position)	Name	Primary Phone	Backup Phone	E-mail Address
Primary	Director	Rebecca Ansley	936-538-5594	936-718-3231	Rebecca.Ansley@mctx.org
Backup 1	Assistant Director	Amanda Vance	936-538-5698	936-444-9524	Amanda.Vance@mctx.org
Backup 2	Administrative Manager	Wendy Dow	936-442-7753	936-524-1569	Wendy.Dow@mctx.org
Backup 3	Program Coordinator	Stacey Doane	936-442-7759	713-252-4044	Stacey.Doane@mctx.org

Locations				
Primary Location	**Facility/Location Name**	MC Community Development Office	**Address**	501 N. Thompson St. Ste. 200 Conroe, TX 77301
Other Locations	**Facility/Location Name**		**Address**	
	Facility/Location Name		**Address**	
	Facility/Location Name		**Address**	

Personnel

Position Role or Title	Minimum Number Needed	Primary Name	Backup 1 Name	Backup 2 Name	Backup 3 Name
Director	1	Rebecca Ansley	Amanda Vance		
Assistant Director	1	Amanda Vance	Wendy Dow		
Administrative Manager	1	Wendy Dow	Rosa Lozoya		
Finance Coordinator	1	Rose Williams	Amanda Vance		
Program Coordinator	1	Stacey Doane	Wesley Miller		
Construction Administrator	1	Wesley Miller	Stacey Doane		
Clerk III	1	Rosa Lozoya	Wendy Dow		

Equipment and Supplies

Item	Minimum QTY	Manufacturer Details (Model or Version)	Vendor	Point of Contact	Contact Information
Phone	3	Polycom Desk Phone	IT	Chris Mickey	832-317-2200

Desktop Computer	5	Dell – IT Generic Computer	425	James Champagne	512-513-8532
Copier	1	Sharp BP-50C31	1368	Chris Hott-Skelton	832-291-9899

Business Applications and Technology Resources

System	Manufacturer Details (Model or Version)	Vendor	Point of Contact	Contact Information	Details/Comments
Internet Explorer	NA	IT			
INFOR	2020		Ann Bartley – Software Specialist	ghrsupport@mctx.org Global Human Resources WFMSupport@mctx.org Payroll ann.bartley@mctx.org Infor CloudSuite 936-760-8118	
IDIS		https://www.hudexchange.info/	Ron Allen	rallen2392@yahoo.com Cell: 240-888-6396	
Microsoft Office Suite	2016	IT	Timothy Greer	timothy.greer@mctx.org 936-766-4459	

Vital Records				
Name of Record	**Is the Record Hard Copy, Electronic, or Both?**	**Is the Record Backed-Up?**	**Where Is the Record Stored?**	**Notes (*Provide a description of records, databases, or files, backup methods, physical location of records, etc.*)**
CDBG-Guidelines	Both	x	In File Room	Located in files in MCCD offices / file room / storage room / attic
Client Files	Both	x	In File Room	Located in files in MCCD offices / file room / storage room / attic
Non Profit Grant Administration Records	Both	x	In file room/computers	Located in files in MCCD offices / file room / storage room / attic

Additional External Contacts/Vendors				
Company/External Contact Name	**Point of Contact**	**Contact Information**	**E-mail Address**	**Description**
Community Development Experts	Ron Allen	Cell: 240-888-6396	rallen2392@yahoo.com	IDIS Technical Assistance
Housing Urban Development – Houston Branch	Stacia L. Johnson	713-718-3279 202-534-2005	Stacia.L.Johnson@hud.gov	HUD Director – Houston HUD Office
Montgomery County Purchasing	Andreea Kovacs	936-539-7927	andreea.kovacs@mctx.org	Purchasing Buyer
Montgomery County Auditor	Rakesh Pandey	936-788-8347	rakesh.pandey@mctx.org	County Auditor
Montgomery County Attorney	Bushra Khan Julie Stewart	936-539-7918 936-539-7998	bushra.khan@mctx.org julie.stewart@mctx.org	Assistant County Attorney-Civil Division

Interim Processes
Document the interim process for this essential function (for example, in the case of an IT system outage or loss of critical equipment and/or resources).

The priority projects would be able to function at near capacity even with a system outage. Phone calls to clients/vendors explaining the situation would help resolve questions pertaining to delays. This department would become essential after the initial emergency has expired.
List any equipment, supplies, systems, or specialized personnel required to execute the interim process for the essential function if different from the critical resources listed earlier. Note any equipment necessary to execute the function's interim process.
All remains the same.

Vulnerabilities

Operational Statements	Yes/No	Vulnerability Level	Comments
Essential Function Documentation: Is there adequate documentation with either standard operating procedures or operation manuals that provide instructions on how to perform this mission essential function?	Yes	Low	
Vital Records Management: Are the vital records required to perform this function adequately stored safely ether backed up on redundant servers or in hard copy format saved in multiple locations?	Yes	Low	
Trained Backup Personnel: Are staff members identified as backups for key personnel adequately trained to perform this function? Are they aware of their responsibilities to execute this function during a COOP incident?	Yes	Medium	
Interim Processes: Are interim processes established for conducting this function in the absence of critical infrastructure (power, information technology systems)?	Yes	Low	
External Resources: Does this function require support from any external departments, agencies, or vendors?	Yes	Medium	

Tab B
INTERNAL CALL LIST

Department: Community Development

Name	Title/Department/Vendor	Primary Phone Number	Backup Phone Number	Additional Contact Information
Rebecca Ansley	Director	936-538-5594	936-718-3231	Rebecca.Ansley@mctx.org
Amanda Vance	Assistant Director	936-538-5698	936-444-9524	Amanda.Vance@mctx.org
Wendy Dow	Administrative Manager	936-442-7753	936-524-1569	Wendy.Dow@mctx.org
Rose Williams	Finance Coordinator	936-442-7754	760-216-0894	Rose.Williams@mctx.org
Erica Dodson	Program Coordinator	936-442-7759	713-252-4044	Stacey.Doane@mctx.org
Wesley Miller	Construction Administrator	936-442-7756	281-795-2495	Wesley.Miller@mctx.org
Rosa Lozoya	Clerk III	936-538-8060	951-566-7442	Rosa.Lozoya@mctx.org

Tab C
COOP PLAN JOB AIDS

COOP Plan Implementation Checklist

This checklist outlines the actions to be followed by the department if an emergency affects the department or the County. This checklist is implemented whenever the primary facility is unavailable or as directed by the head of the department or appropriate designee.

The following are two important tasks to focus on throughout the emergency:

- Ensure the safety and security of the department staff and facility at all times.
- Ensure staff is regularly briefed on the status of the emergency.

Table C-1
COOP Implementation Checklist

Item	Task	Task Assigned To	Date/Time Completed
Activation and Relocation			
1	Contact emergency responders (fire, police, and emergency medical services).	Adm. Manager	
2	Conduct evacuation, if necessary.	Asst. Director	
3	Conduct accountability of personnel.	Asst. Director	
4	Ensure that safety measures are put into effect.	Construction Administrator	
5	Contact the facilities department to disconnect utilities and power to the building to limit further damage.	N/A	
6	Direct and assist emergency personnel, as required.	N/A	
7	Notify continuity personnel.	Admin. Manager	
8	Hold response meeting at predetermined site or via phone. Use alternate communication equipment if telecommunications infrastructure is unavailable.	Asst. Manager	
9	Activate COOP plan.	Director	
10	Notify personnel by using staff roster or call-down lists.	Asst. Director	
11	Coordinate relocation procedures with the COOP Planning and Activation Team.	Asst. Director	
12	Assemble supporting elements required for reestablishing and performing mission essential functions at the continuity facility: ▪ Vital files, records, and databases	All Staff	

Item	Task	Task Assigned To	Date/Time Completed
	▪ Critical software ▪ Key personnel ▪ Critical equipment	Con't All Staff	
13	Notify external stakeholders of COOP plan activation.	Clerk III	
14	Prepare designated communications and other equipment for relocation.	All Staff	
15	Take appropriate preventive measures to protect other communications and equipment that will not be relocated.	All Staff	
16	Ensure computer connectivity and phone line transfers to the designated continuity facility.	N/A	
17	Ensure drive-away kits are complete and ready for transfer.	N/A	
18	Key personnel begin moving to the continuity facility.	All Staff	
19	Coordinate public information release regarding COOP plan activation with the public information officer.	Asst. Director	
Continuity Operations			
20	Conduct accountability of personnel.	Asst. Director	
21	Organize key personnel and account for backup personnel.	Admin. Manager	
22	Coordinate provisions for computer service at the continuity facility.	Admin Manager	
23	Coordinate with the telephone service provider to ensure phone services are working at continuity facilities.	Clerk III	
24	Occupy workspace: ▪ Stow equipment. ▪ Protect vital files, records, and databases. ▪ Test phone, fax, e-mail, and other communications. ▪ Establish communications with essential support elements and office elements.	All Staff	
25	Determine which mission essential functions have been affected.	All Staff	
26	Prioritize mission essential functions for restoration.	N/A	
27	If needed, invoke orders of succession and delegations of authority.	Director	
28	Ensure that all critical equipment, critical software, and vital files, records, and databases are available at the continuity facility.	All Staff	
29	Coordinate procurement of additional equipment, as needed.	Admin. Manager	
30	Begin processing mission essential functions.	All Staff	
31	Coordinate public information release on the status of COOP	Asst. Director	

Item	Task	Task Assigned To	Date/Time Completed
	operations with the public information officer.		
32	Track status and restoration efforts of all mission essential functions.	Asst. Director	
33	Begin redeployment plans for phasing down continuity facility operations.	Asst. Director	
Reconstitution			
34	Inform all personnel that the emergency or threat no longer exists.	Asst. Director	
35	Resume operations.	All Staff	
36	Inventory and salvage usable equipment, materials, records, and supplies from damaged facility.	All Staff	
37	Document any damaged or lost equipment and records.	All Staff	
38	Survey condition of primary facilities and determine feasibility of salvaging, restoring, or returning to original offices when the emergency subsides or is terminated.	Director	
39	Develop long-term reconstitution and recovery plans.	Director Asst. Director	
40	Continue to track status and restoration efforts of all mission essential functions.	Asst. Director	
41	Transition all functions, personnel, and equipment from continuity facility to designated permanent facility.	Asst. Director	
42	Track COOP plan activation-related costs for possible federal reimbursement.	Finance Coordinator	
43	Determine loss of inventory for insurance report.	Admin. Manager	
44	Coordinate public information release on the status of reconstitution efforts with the public communication officer.	Asst. Director	
45	Conduct an after-action review of the effectiveness of the COOP plan and identify areas for improvement.	Director	
46	Develop a corrective action program and remedial action plan.	Director	

Relocation Checklist

As the COOP Planning and Activation Team prepares to relocate key personnel, the following procedures will provide guidance to maintain mission essential functions at a continuity facility.

Table C-2
Relocation Checklist

Item	Task	Task Assigned To	Date/Time Completed
1	Designate a Relocation Manager and prepare a relocation checklist in support of the COOP plan.	Director	
2	Identify areas where outside support will be required in relocation operations and memoranda of understanding, vendor contacts, and other agreements necessary to ensure site support.	Director Asst. Director Admin. Manager	
3	Assemble necessary documents and equipment required to continue mission essential functions at the continuity facility.	All Staff	
4	Order additional resources (including equipment and office supplies) that are not in place or readily available.	Admin. Manager	
5	Continue mission essential functions at the primary facility, if available, until the continuity facility is operational.	All Staff	
6	Support the orderly transition of all mission essential functions, personnel, equipment, and vital records from the primary facility to the continuity facility.	Admin. Manager	
7	Identify mission essential functions that can be delayed or postponed if the COOP plan is implemented.	Asst. Director	
8	Provide for the proper storage of backup copies of vital records and databases and other pre-positioned resources and assets.	All Staff	
9	Designate available staff to assist arriving key personnel.	Director Asst. Director	
10	Conduct COOP plan training for all key personnel arriving at the continuity facility.	Asst. Director	
11	Keep the COOP Planning and Activation Team and Relocation Manager informed of any site vulnerabilities or changes in site resources that may affect the execution of the COOP plan.	Asst. Director	
12	Support the orderly transition of all mission essential functions, personnel, equipment, and vital records from the continuity facility to the primary facility.	Admin. Manager	

Tab D
RISK MITIGATION RECOMMENDATIONS

Potential disruptions to internal processes, business practices, and personnel are referred to as operational risks. The department assessed its operational risks and identified the risks with the highest potential to affect the department's mission essential functions.

Table D-1
Operational Risks

Risk Description	Description/Comments	Vulnerability
Mission Essential Functions		
Does the department have employee manuals or standard operating procedures that provide instructions for mission essential functions?	Yes	Med
Orders of Succession		
Does the department have clear orders of succession for key leadership personnel and are successors aware of this designation?	Yes	Low
Does the department have designated and trained employee backups?	Yes	Low
Delegations of Authority		
Have delegations of authority been identified?	Yes	Low
Are backups trained to perform the tasks delegated to them?	Yes	Low
Critical Resources		
Vital Records: How does the department maintain vital files? Are documents located in filing cabinets, network drive, etc.?	Certain aspects of client files are backed up and located in locked filing cabinets	Medium
Critical Personnel: Does the department have a staffing plan to determine staff augmentation during reduced workforce incidents?	No	Medium
Business Applications and Technology: Does the department use specific systems that may be difficult to re-create at a continuity facility? Are these systems backed up through the Information Technology Department?	No	Low
Critical Equipment: Does the department use specialized equipment? Does the equipment require special maintenance and care?	No	Low
External Entities: Does the department depend on any coordinating departments within the organization or any external stakeholders to	Purchasing, Auditor's Office, IT, County Attorney, County Judge's Office, County Clerk, Treasurer, Payroll, Building Maintenance, U.S. Housing and Urban Development Department,	Low

Risk Description	Description/Comments	Vulnerability
maintain mission essential functions?	Texas General Land Office	
Continuity Facilities		
Has the department identified continuity facilities and relocation procedures?	Yes. Can work from home or in the field if necessary.	Low
Does the department have a rally point where employees can meet immediately following a disruptive incident?	Yes- Parking Garage if minor, otherwise case by case basis	Low
Who does the department contact at continuity facilities regarding relocation?	County Judge's Office, Chief of Staff	Low
Continuity Communications		
How does leadership primarily communicate with staff?	In-person, e-mail, phone, text	Low
Does the department have emergency communication capabilities, such as an alert network, satellite phones, or radios?	Yes	Low
How would the department inform another department that it is experiencing a disruption to operations and may need to implement the COOP plan?	Coordinate through the County Judge's Office, Chief of Staff Email, Phone	Low
Interim Processes		
Does the department have processes in place to conduct mission essential functions in the absence of IT systems?	No	Low

Mitigation Recommendations

The following recommendations have been provided to help the department continue to build a strong business continuity program:

Employee Backups

- Explore ways to back up the Construction Manager position.
- Ensure all personnel understand their responsibilities as backups.
- Allow personnel to perform back up duties occasionally to ensure they are prepared in fulfill their backup duties in an emergency.

Vital Records

- Examine ways to back up client files through scanning or copying.

Montgomery County Grants and Community Development

Affirmative Action Program Guidelines

Updated 2013

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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.

4. 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.

5. 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.

6. 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.

b. 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.

#3

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Montgomery County Grants and Community Development

Residential Anti-Displacement and Relocation Assistance Plan for HUD and HUD-Assisted Programs (RARAP)

Updated September 2023

501 North Thompson, Ste. 200
Conroe, TX 77301

936-538-8060

Residential Anti-Displacement and Relocation Assistance Plan (RARAP)

This Residential Anti-Displacement and Relocation Assistance Plan (RARAP) ("Plan") is prepared by the Montgomery County Grants and Community Development Department in accordance with the Housing and Community Development Act of 1974, as amended ("Act"); and HUD Regulations at 24 CFR 42.325 and is applicable to projects funded by Community Development Block Grants (CDBG) and/or the HOME Investment Partnership Program (HOME).

In meeting the requirement of 24 CFR Part 42.325, this plan includes:

- Steps to be taken by Montgomery County, Texas to minimize displacement of families and individuals from their homes and neighborhoods as a result of any HUD assisted activities;
- Provides for the relocation assistance for persons determined to be displaced in accordance with 24 CFR 42.350; and
- Provides one-for-one replacement units to the extent required by 24 CFR 42.375.

Consistent with the goals and objectives of activities assisted under the Act and HUD regulations outlined in 24 CFR Part 570.606, it is the policy of Montgomery County to make all reasonable efforts to ensure that activities undertaken with CDBG and/or HOME funds will not cause unnecessary displacement or relocation. Montgomery County certifies that the County will take all reasonable steps to minimize the direct and indirect displacement of persons (including families, individuals, businesses, nonprofit organizations, and farms) caused by implementing activities assisted with HUD funding.

Applicability

A. This Plan applies to Montgomery County, Texas, and/or any entity or agency acting on its behalf on projects sponsored by the County that are funded in whole or in part by HUD CDBG and HOME funds subject to the regulations at 24 CFR Part 570 and/or 24 CFR Part 92 (collectively referred to as "County" or "Montgomery County").

B. This Plan applies to any project approved by the County, which is funded in whole or in part by HUD funds subject to the regulations and requires displacement, and all references to 'persons' or 'residents' herein shall be deemed to refer strictly to person/residents receiving HUD assistance through County administered HUD Programs.

C. Effective Montgomery County Commissioners Court approval of this Plan, all prior versions of a RARAP are hereby superseded and deemed replaced with this Plan.

Purpose

The RARAP outlines measures to be taken by Montgomery County to minimize displacement and defines the benefits and advisory services that are available when Montgomery County uses HUD funds in a project or activity that results in the displacement due to demolition or conversion of lower-income dwelling units to a non-residential use. 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). Displacement of any nature shall be reserved as a last resort action necessitated only when no other alternative is available and when the activity is determined necessary in order to carry out a specific goal or objective that is of benefit to the public.

Definitions

Definitions of terms used in this Plan or associated with this topic are found in applicable CDBG and HOME program regulations at 24 CFR 570 and 24 CFR 92; 49 CFR Part 24, the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (URA); 24 CFR Part 42, Requirements under Section 104(d) of Housing and Community Development Act of 1974, as amended (Act); and HUD Handbook 1378. If definitions are found to be contradictory, the most stringent definition will apply.

Steps to Minimize Displacement

Montgomery County Community Development will take the following steps to minimize the direct and indirect displacement of persons from their homes by:

A. Prior to approving a proposal, the County will consider all practical alternatives to any proposed project that may result in residential displacement. Alternatives considered may include other sites for the proposed project as well as the costs and benefits, both financial and non-financial, of each alternative. In the case of competing proposals, priority will be given to those proposed projects that minimize or eliminate the displacement of tenants when possible.

B. Where feasible, priority will be given to rehabilitation of housing, as opposed to demolition, to avoid displacement.

C. No family will be required to move from a unit unless the County determines that the rehabilitation work cannot be performed with the family in the residence.

D. The County will arrange for facilities to house persons who must be relocated temporarily during rehabilitation.

E. The CDBG/HOME programs will continue to be structured so that only derelict, abandoned properties deemed unsafe and likely to draw vermin, crime, anti-

social behaviors, or other negative impacts to neighborhoods/areas in Montgomery County are considered for demolition.

Relocation Assistance to Displaced Persons

Should displacement of residents be necessary as a result of activities funded through the CDBG or HOME program activities, the County will compensate displaced residents in accordance with HUD Handbook 1378- Tenant Assistance, Relocation, and Real Property Acquisition guide.

Montgomery County will provide relocation assistance to any lower-income person who, in connection with an activity assisted under the CDBG and/or HOME Programs, move permanently or move personal property from real property as a direct result of the demolition of any dwelling unit or the conversion of a lower-income dwelling unit in accordance with the requirements of 24 CFR 42.350. A displaced person who is not a lower income tenant will be provided relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Polices Act of 1970, as amended, and implementing regulations at 49 CFR Part 24.

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

A. 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.

B. Payment for moving expenses at the levels described in 49 CFR Part 24, subpart D.

C. 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.

D. 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:

1. 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

2. 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 through one-for-one replacement requirements.

E. Replacement housing assistance. Persons are eligible to receive one of the following two forms of replacement housing assistance:

1. 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 participate in the Section 8 Existing Housing Program. To the extent that cash assistance is provided, it may, at the discretion of Montgomery County, be in either a lump sum or in installments; or

2. 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 defined 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.

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 Anti-displacement and Relocation Assistance Plan.

One-for-one Replacement of Lower-Income Dwelling Units

Montgomery County will replace all occupied and vacant occupiable lower-income

dwelling units demolished or converted to a use other than lower-income housing in connection with a project assisted with funds provided under the CDBG and/or HOME Programs in accordance with 24 CFR 42.375.

Replacement of 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 the County has provided the information demonstrating that such a proposed replacement is consistent with the needs assessment contained in its HUD approved Consolidated Plan.

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 section F below 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.

F. 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 through publication in a newspaper of general circulation, and submit the following information in writing to the HUD Field Office for monitoring purposes:

1. A description of the proposed assisted activity;

2. 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;

3. A time schedule for the commencement and completion of the demolition or conversion;

4. 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;

5. The source of funding and a time schedule for the provision of replacement dwelling units;

6. 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

7. 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 consolidated plan.

Replacement Not Required Based On Unit Availability

The one-for-one replacement requirement of this section does not apply to the extent the HUD 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.

Montgomery County must submit the request for determination under this paragraph directly to the HUD 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.

Contacts

When URA is triggered, the appropriate Montgomery County Community Development

staff is responsible for tracking the replacement of lower income dwelling units and ensuring that they are provided within the required period.

Montgomery County Community Development is responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any dwelling unit or the conversion of lower-income dwelling units to another use as part of a project funded by HUD. The contact information for this RARAP is:

Montgomery County Community Development
501 North Thompson, Suite 200
Conroe, TX 77301

Phone: 936-538-8060

Email: CDBG.MCTX@MCTX.ORG

Appeal Process

If a person disagrees with the decision made by Montgomery County concerning eligibility for, or the amount of, a relocation payment under this plan may file an appeal against that determination in writing and submitting to Montgomery County Community Development Appeals Committee. Written appeals should include reason for the appeal and any supporting documentation. The Committee, upon receiving a written appeal, will review the request and provide a response within two weeks of receipt. Persons that are low- or moderate-income households that believe they have been displaced as a result of a CDBG or HOME funded activity may file a written request to the HUD Field Office.

Montgomery County Grants and Community Development

Optional Housing Relocation Program Plan, Guidelines, and Policies

Updated 07/2021

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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 setout 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:

- Sell or offer the assumption of the loan to a low/moderate income family approved by the CDBG office; or

- 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

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**

Rebecca Ansley
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.

Equality and 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 and 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 COMPLAINT FORM

I, _____, hereby file an official complaint against

_____ and state the following:
(Name of Person or Agency)

1. Complainant's Name: _____

   Address: _____

   City, State, and Zip Code: _____

   Telephone Number (home):_____ (work):_____

2. Person discriminated against (is someone other than the complainant)

   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: _____

Montgomery County Grants and Community Development

Environmental Review Procedures for HUD Grants

Prepared May 2008

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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:	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), or 5. 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 capaCounty 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. A**fter 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 CFR58.34 (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.
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.
Documents to Retain:	Retain the Exempt forms in the ERR and it is always made available for public review and audit.

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.

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 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.
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 Raised By Project:	If one or more items on the checklist trigger compliance, 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 Inspection:	Documents up to this point result in an ERR. ERR will be 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 Of Grant Conditions from HUD:	After conclusion of the 15-day period of public notice and 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:	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 These forms will make up the ERR which shall be kept in the Community Development office for public review and audit by HUD.

COMMON STATUTORY CONCERNS IDENTIFIED ON STATUTORY CHECKLIST

Section 106 Review:	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. 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

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 Inspection:	Steps up to this point have resulted in an ERR, based on 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 And NOI/RROF:	Prepare and publish a combined notice of FONSI and 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 the 15-day objection period. For fifteen days following delivery of HUD form 7015.15, the HUD office will receive any objectives 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.

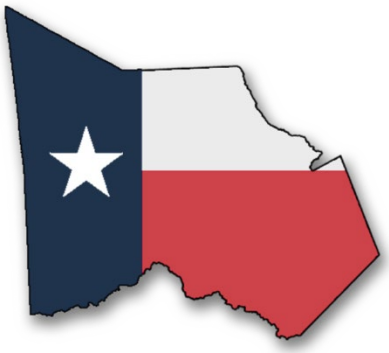
When Project has Multi-year Funding:

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.

Montgomery County, TX

Analysis of Impediments to Fair Housing Choice

2023



Prepared by:
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Questions or Comments? Please contact the MCCD office at:
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Executive Summary

Why the AI was Developed

Montgomery County prepared this Analysis of Impediments to Fair Housing Choice (AI) to satisfy the requirements of the Housing and Community Development Act of 1974, as amended, which requires that any unit of government receiving funds through the U.S. Department of Housing and Urban Development (HUD) affirmatively further fair housing (AFFH). Montgomery County is an entitlement community and receives annual allocations through HUD's Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Solutions Grant (ESG) programs.

On June 10, 2021, HUD published the Interim Final Rule (IFR) to issue new guidance on a HUD grantee's obligation to affirmatively further fair housing. Specifically, the IFR "does not require HUD grantees to participate in a fair housing planning process." However, because grantees remain obligated to certify annually that they are affirmatively furthering fair housing, preparing a fair housing planning document remains the best method for documenting a grantee's analysis and research to demonstrate that it is fulfilling its AFFH obligation. HUD further expanded its guidance to state that grantees "may choose to continue to engage in familiar fair housing planning processes such as continuing to implement a completed AI or Assessment of Fair Housing (AFH), updating an existing AI or AFH, or conducting a new AI or AFH. Grantees may also choose to engage in other means of fair housing planning that meaningfully supports their certification."

Montgomery County has chosen to prepare an AI to document its efforts to affirmatively further fair housing. The AI analyzes the trends and conditions that identify the racially and ethnically concentrated areas of poverty (R/ECAP); the degree to which County policies, programs and statutes have expanded or restricted housing choice for members of the protected classes; any impediments to fair housing choice based on the analyses conducted; and a series of recommended strategies that, if implemented, will work toward eliminating the impediments.

Participants

Montgomery County was committed to an extensive outreach process to solicit input from residents and stakeholders. The County actively encouraged citizens, government representatives, and non-profit providers to provide input throughout the process via public meetings, stakeholder sessions, and an online resident survey. The meetings were advertised to the public on the County's website and Facebook page, published in the newspaper in English and Spanish, and posted at community gathering places such as community centers and libraries.

Methodology

A comprehensive approach was used to complete the AI. The following sources were utilized:

- Most recently available demographic data regarding population, household, housing, income, and employment at the census tract and County levels
- Consolidated Plan, Annual Action Plans, and CAPERs
- Public policies, codes and statutes affecting fair housing and the development of housing
- Administrative policies concerning fair housing, affordable housing, and community development
- Financial lending institution data from the HOME Mortgage Disclosure Act (HMDA) database

- Agencies that provide housing and housing related services to members of the protected classes, and
- Interviews and stakeholder meetings conducted with State and County agencies, as well as non-governmental organizations that provide housing and housing related services to members of the protected classes.

Impediments Identified

Based on the issues identified through the AI, four impediments to fair housing choice were identified. These include:

- Fair housing education and outreach efforts may not meet community needs, and a higher level of enforcement of fair housing laws is warranted.
- A lack of affordable housing and affordable housing that is accessible to persons with disabilities restricts housing choice for lower income African American households, Hispanic households, female-heads of households with children, and households with persons with disabilities. This also contributes to perpetuation of residential segregation patterns.
- Members of the protected classes tend to have higher rates of unemployment, lower incomes and higher rates of cost burden, which limits their housing choice.
- Non-White households are much less likely to become homeowners.

Fair Housing Action Plan

This section outlines actions to be taken, benchmarks, and a timeline associated with each action.

Actions	Entities Responsible	Benchmark	Time to Complete
Impediment A: Fair housing education and outreach efforts may not meet community needs, and a higher level of enforcement of fair housing laws is warranted.			
Provide fair housing education and outreach to the public, elected officials, HUD program subrecipients, and program staff.	Lead entity: Montgomery County Community Development Potential partners: TDHCA, HUD FHEO, Greater Houston Fair Housing Center	Number of people attending fair housing education programs; number of housing discrimination complaints filed	2024-2028
Impediment B: A lack of affordable housing and affordable housing that is accessible to persons with disabilities restricts housing choice for lower income African American households, Hispanic households, female-heads of households with children and households with persons with disabilities. This also contributes to perpetuation of residential segregation patterns.			
Facilitate the development of new and preservation of existing affordable housing for members	Lead entity: Montgomery County Community Development Potential partners:	Number of affordable units built; number of affordable units preserved; number of households assisted by race, ethnicity,	2024-2028

Actions	Entities Responsible	Benchmark	Time to Complete
of the protected classes.	Affordable housing developers and builders, local and regional supportive service agencies	disability status, familial status; number of households provided supportive services to maintain housing by race, ethnicity, disability status, familial status	
Impediment C: Members of the protected classes tend to have higher unemployment, lower incomes and higher rates of cost burden, which limits their housing choice.			
Provide job training opportunities to help lower income residents increase their skills and employment opportunities	Lead entity: Montgomery County Community Development Potential partners: Qualifying Section 3 Businesses Nonprofit organizations that provide job training and related services to lower income residents	Number of Section 3 Businesses assisted; number of Section 3 Residents assisted; number of residents who participated in CDBG funded job training activities	2024-2028
Impediment D: Non-White households are much less likely to become homeowners.			
Provide credit counseling to members of the protected classes	Lead entity: Montgomery County Community Development Potential partners: Local and regional HUD-certified housing counselors	Number of people who participated in homebuyer and/or credit counseling programs	2024-2028

Demographic, Income and Employment Data

This section describes demographic characteristics that affect housing choice among residents. The analysis provides context to existing conditions and pinpoints issues to inform strategies for broadening the availability of housing opportunities among Montgomery County residents.

Key Findings

- Between 2016 and 2021, Montgomery County's population grew by 89,150 or 17.2% in just five years.
- 87.4% of Montgomery County residents identified as White in 2021.
- Between 2010 and 2021, Montgomery County's minority population grew by 8.2% with the largest increase in minority residents being among the Hispanic community, which increased by 5.8%.
- In 2021, African American and Asian communities in Montgomery County experienced moderate levels of segregation, while Hispanic communities experienced fairly low levels of segregation. Each group experienced an increase in segregation since 2010.
- In 2021, 16.1% of all Montgomery County residents were foreign-born, up from 14.8% in 2016.
- Of the 6,827 persons in Montgomery County in limited English-speaking households, 5,873 were in households speaking Spanish.
- In 2021, 9.6% of Montgomery County residents reported at least one disability.
- Only about half of the County's residents with one or more disabilities are participating in the labor force—nearly 30% less than those with no disability.
- The unemployment rate of persons with disabilities is 4.3% higher than the unemployment rate of those without a disability.
- African American residents experienced higher rates of unemployment compared to any other racial or ethnic group.
- Female-headed households with children comprised 14.9% of all households with children, but 38.7% of all households with children living below the poverty level.

Population Trends

According to Census data, the population of Montgomery County has grown at double the rate of Texas between 2010-2016 and 2016-2021 periods. Between 2016 and 2021, Montgomery County's population grew by 89,150 or 17.2% in five years, averaging more than 14,850 new residents annually during the six-year period.

Figure 1: Population Change 2010-2021

	2010	2016	2021	Percent Change 2010-2016	Percent Change 2016-2020
Montgomery County	427,717	518,849	607,999	+21.3%	+17.2%
State of Texas	24,311,891	26,956,435	28,862,581	+10.9%	+7.1%
Montgomery County Percentage of Texas Population	1.8%	1.9%	2.1%		

Sources: US Census Bureau ACS DP05 (2010), US Census Bureau ACS DP05 (2016), US Census Bureau ACS DP05 (2021)

Race and Ethnicity

The majority of Montgomery County residents (87.4%) identified as White in 2021. The percentage of White residents fell slightly from 88.5% to 87.4% despite a 40% increase in the number of White residents. Between 2010 and 2021, the County's minority population grew by 8.2%. The largest increase in minority residents was among the Hispanic community, which increased by 5.8%.

Figure 2: Racial and Ethnic Population Composition, 2010-2021

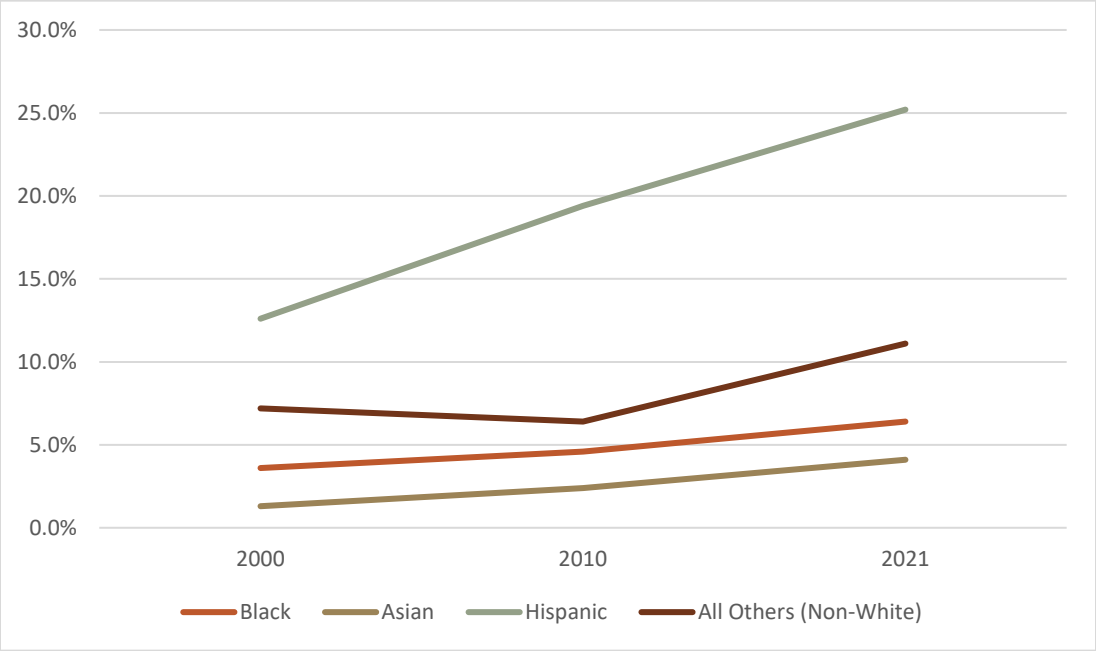
	2010		2016		2021	
	#	%	#	%	#	%
Montgomery County	427,717	100%	518,849	100%	607,999	100%
White	378,699	88.5%	460,122	88.7%	531,207	87.4%
African American	19,712	4.6%	27,316	5.3%	38,865	6.4%
American Indian and Alaskan Native	4,873	1.1%	7,599	1.5%	6,901	1.1%
Asian	10,135	2.4%	17,160	3.3%	24,641	4.1%
Native Hawaiian or Other Pacific Islander	463	0.1%	872	0.2%	867	0.1%
Some Other Race	22,133	5.2%	20,051	3.9%	59,766	9.8%
Hispanic (of any race)*	82,895	19.4%	116,429	22.4%	153,488	25.2%
Non-Hispanic (of any race)	344,822	80.6%	402,420	77.6%	454,511	74.8%

*Hispanic ethnicity is counted independently of race by the US Census Bureau

Sources: US Census Bureau ACS DP05 (2010), US Census Bureau ACS DP05 (2016), US Census Bureau ACS DP05 (2021)

Between 2010 and 2021, Montgomery County's minority population grew by 8.2% with the largest increase being among Hispanic residents.

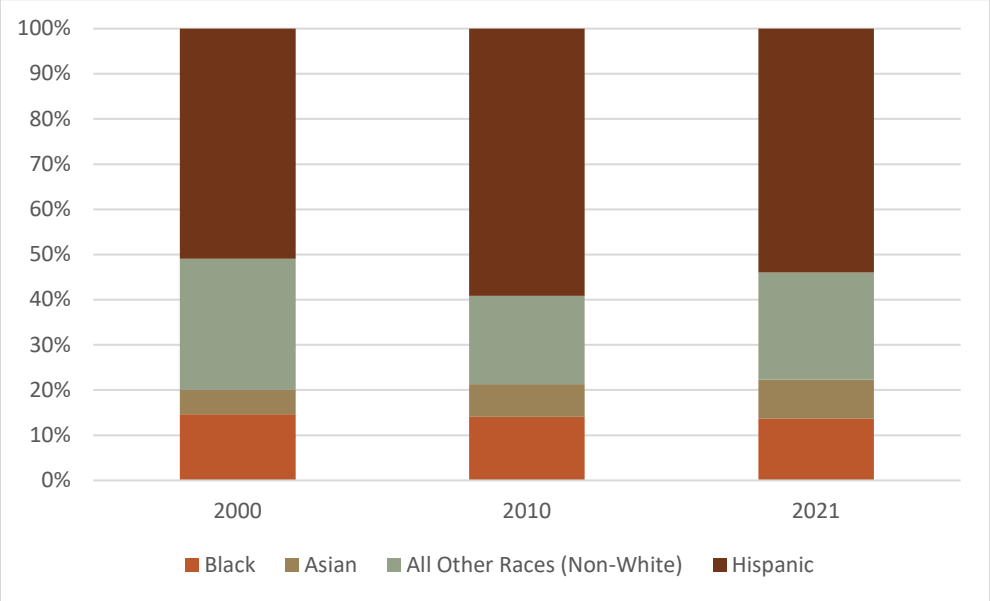
Figure 3: Percentage of Racial/Ethnic Minority Populations in Montgomery County, 2000-2021



Sources: US Census Bureau Decennial Census DP1 (2000), US Census Bureau ACS DP05 (2010), US Census Bureau ACS DP05 (2021)

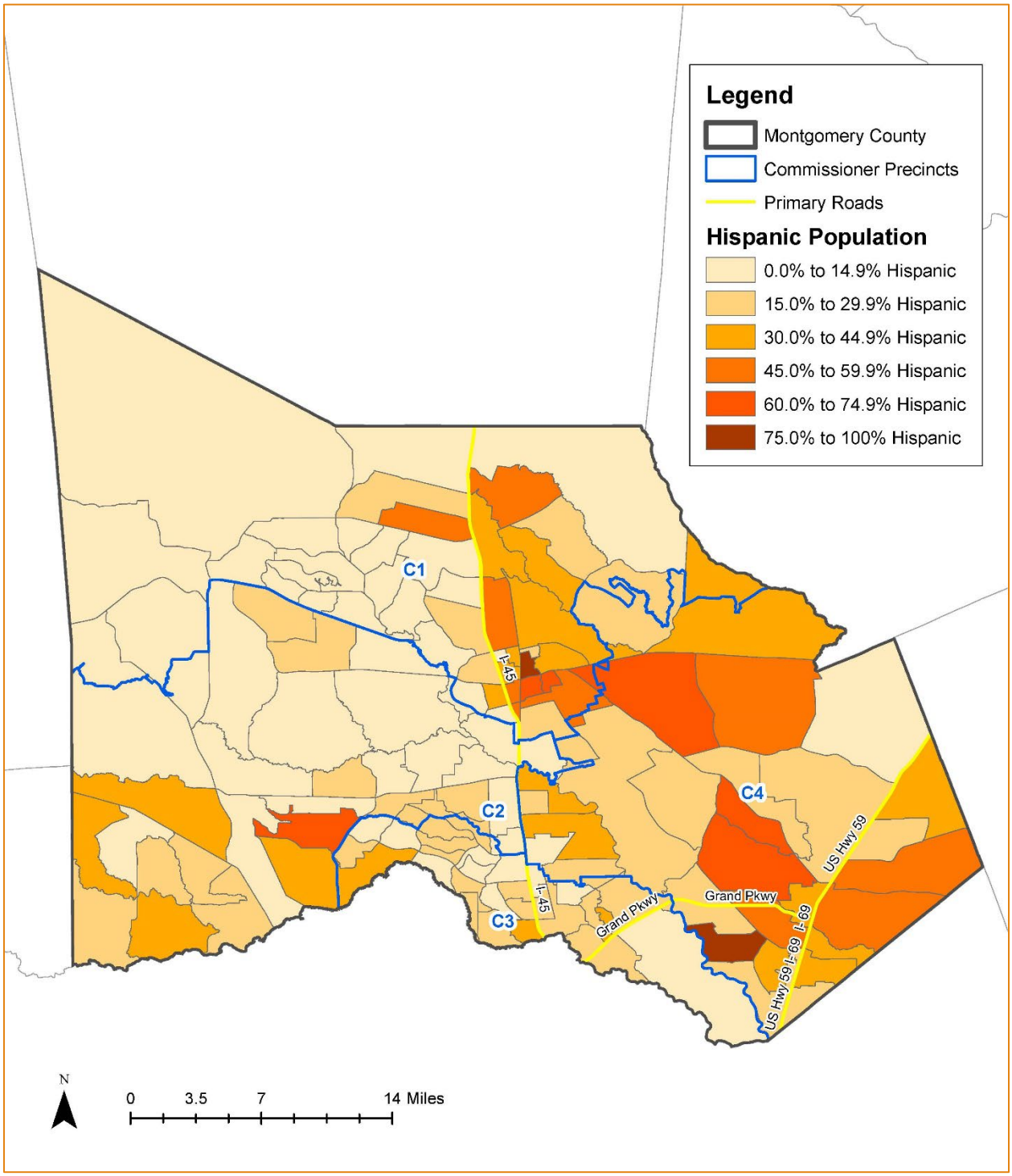
African American residents have decreased as a percentage of the County minority population since 2000, while Asian and Hispanic communities have increased.

Figure 4: Diversity Trends of the Non-White Population, 2000-2021



Sources: Sources: US Census Bureau Decennial Census DP1 (2000), US Census Bureau ACS DP05 (2010), US Census Bureau ACS DP05 (2021)

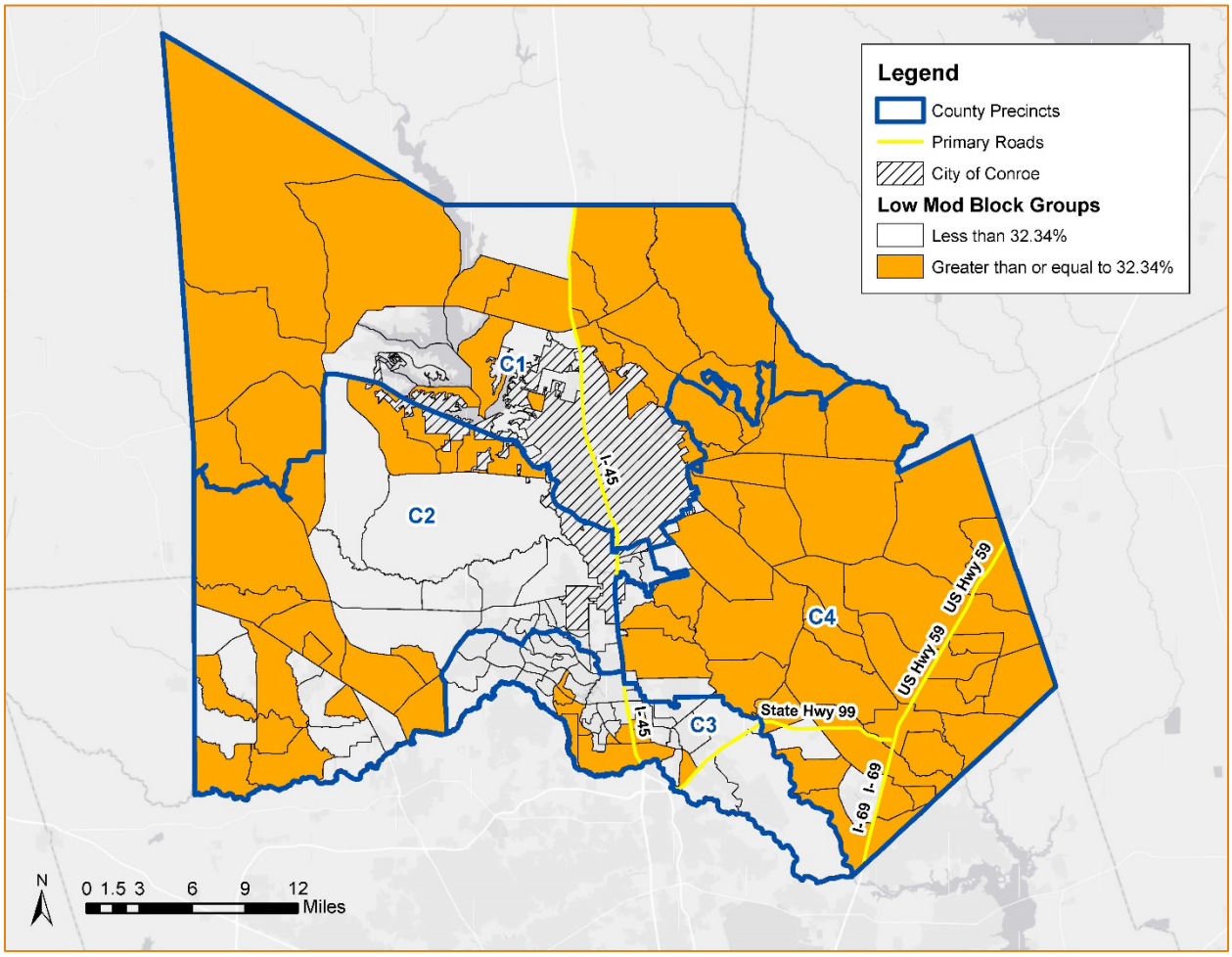
Figure 5: Percentage of the Population that Identified as Hispanic, 2021



Racially/Ethnically Concentrated Areas of LMI Persons

The Community Development Block Grant (CDBG) Program includes a statutory requirement that at least 70% of CDBG funds must benefit low- and moderate-income (LMI) persons. HUD provides the percentage of LMI persons in each census block group. The LMI threshold in Montgomery County for FY 2023 is 32.34%.

Figure 6: HUD-Identified Low- and Moderate-Income Areas in Montgomery County, 2023



The following maps combine LMI block group data with race and ethnicity population data to determine geographic patterns where there are concentrated areas of LMI persons that overlap with concentrations of racial and/or ethnic minorities. For the purposes of this section, a concentration of a racial or ethnic group is defined as a Census block group where the rate of a specific group is ten percentage points more than the group's total population in the County. For example, African American residents represent 6.4% of the County's population, therefore areas of concentration of African American residents would include block groups where African American residents comprise 16.4% or more of the population. Among Asian residents who account for 4.1% of County residents, an area of concentration would include block groups with 14.1% or more Asian residents. Among Hispanic residents who represent 25.2% of County residents, an area of concentration would include block groups with 35.2% or more Hispanics. The following maps highlight the block groups identified as concentrated areas of LMI persons *and* racial and/or ethnic

minorities. Because the City of Conroe is a HUD entitlement community, block groups within the City were not included in this analysis.

Of all block groups with a concentration of residents who identified as African American in 2021, 45.5% were residing in LMI block groups.

Of all block groups with a concentration of residents who identified as Asian in 2021, 21.4% were residing in LMI block groups.

Of all block groups with a concentration of residents who identified as Hispanic in 2021, 77.6% were residing in LMI block groups.

Figure 7: Racially/Ethnically Concentrated Areas of LMI Persons

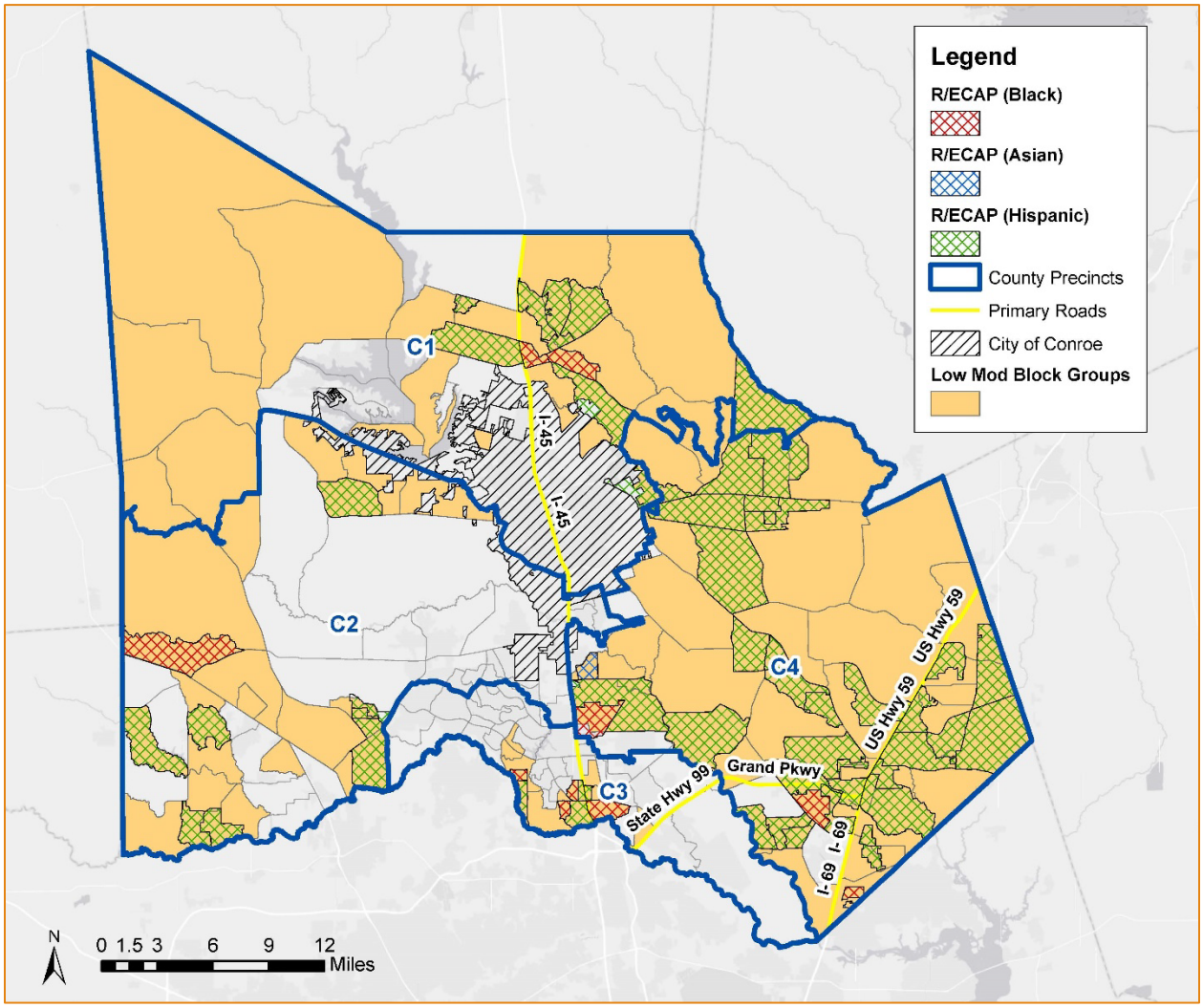
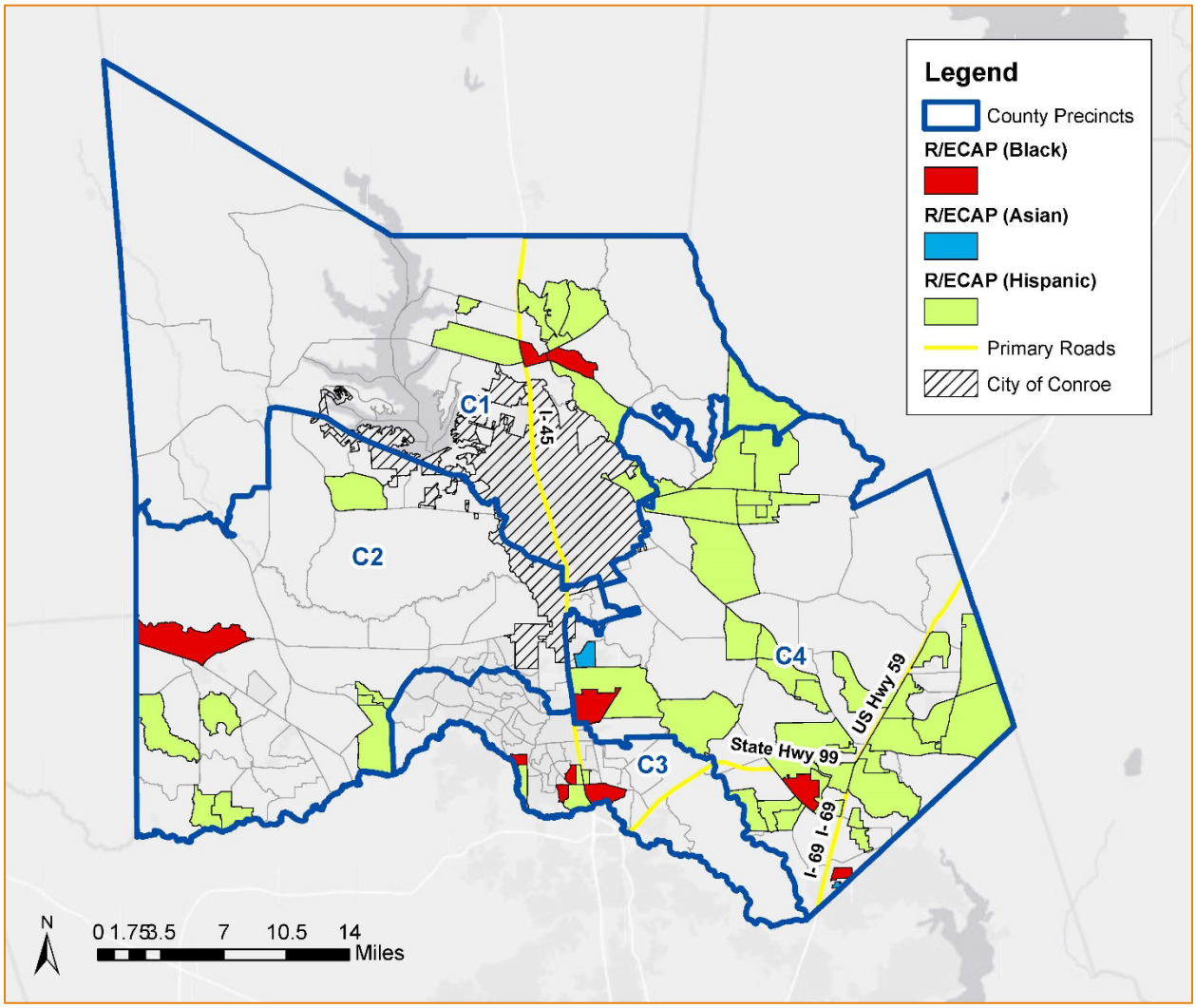


Figure 8: Racially/Ethnically Concentrated Areas of LMI Persons (Alone)



Dissimilarity Index

Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Latent factors, such as attitudes, or overt factors, such as real estate practices, can limit the range of housing opportunities for minorities.

The distribution of racial or ethnic groups across a geographic area can be analyzed using an index of dissimilarity. This method allows for comparisons between subpopulations, indicating how much one group is spatially separated from another within a community. The index of dissimilarity is rated on a scale from 0 to 100, in which a score of 0 corresponds to perfect integration and a score of 100 represents total segregation. The index is typically interpreted as the percentage of the minority population (in this instance, the African American or Hispanic population) that would have to move in order for a community or neighborhood to achieve full integration. Values ranging between 40 and 50 are considered moderate levels of segregation; values below 30 are fairly low and values above 60 are considered to be fairly high levels of segregation.

In 2021, African American and Asian communities in Montgomery County experienced moderate levels of segregation, while Hispanic communities experienced fairly low levels of segregation. Each group experienced an increase in segregation since 2010. Of the three groups, Asian communities had the largest increase in segregation since 2010 with an increase of 7.4.

Figure 9: Dissimilarity Index, 2010-2021

	2010 DI with the White Population	2010 Population	2010 % of Total Population	2021 DI with the White Population	2021 Population	2021 % of Total Population	Change in DI, 2010-2021
White	-	378,699	88.5%	-	531,207	87.4%	-
African American	38.6	19,712	4.6%	42.6	38,865	6.4%	+4.0
Asian	39.2	10,135	2.4%	46.6	24,641	4.1%	+7.4
Hispanic	26.0	82,895	19.4%	27.6	153,488	25.2%	+1.6

Sources: US Census Bureau ACS 2010 (DP05), US Census Bureau ACS 2021 (DP05)

Ancestry and National Origin

It is illegal to refuse the right to housing based on place of birth or ancestry. American Community Survey data on native and foreign-born populations reported that in 2021, 16.1% of all Montgomery County residents were foreign-born, up from 14.8% in 2016.

Figure 10: Countries of Origin for Foreign-Born Residents, 2021

Country of Origin	Population
Mexico	33,850
Honduras	4,200
India	3,789
El Salvador	3,740
Venezuela	3,517
Canada	2,651
Colombia	2,261
Philippines	2,198
China	2,014
Nigeria	1,350

Source: US Census ACS 2021 (B05006)

Limited English Proficiency

Persons with limited English proficiency (LEP) are defined as persons who have a limited ability to read, write, speak or understand English. HUD uses the prevalence of persons with LEP to identify the potential for impediments to fair housing choice due to their inability to comprehend English. Persons with LEP may encounter obstacles to fair housing by virtue of language and cultural barriers within their environment. To assist these individuals, it is important that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.

In 2021, the Census Bureau reported that 6,827 persons in Montgomery County were part of a "limited English-speaking household". According to the Census Bureau: "A 'limited English-speaking household' is one in which no member 14 years old and over (1) speaks only English or (2) speaks a non-English language and speaks English 'very well.' In other words, all members 14 years old and over have at least some difficulty with English. By definition, English-only households cannot belong to this group."

Of those 6,827 persons in Montgomery County in limited English-speaking households, 5,873 were in households speaking Spanish. This indicates that those with limited English proficiency in Montgomery County are primarily native-speaking Spanish individuals.

Disability

As defined by the Census Bureau, a disability is a long-lasting physical, mental, or emotional condition that can make it difficult for a person to engage in activities such as walking, climbing stairs, dressing, bathing, learning or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

The Fair Housing Act prohibits discrimination based on physical, mental, or emotional disability, provided "reasonable accommodation" can be made. This may include changes to address the needs of persons with disabilities, such as adapted structural changes (e.g., constructing an entrance ramp) or

administrative changes (e.g., permitting the use of a service animal). In 2021, 9.6% of Montgomery County residents reported at least one disability.[1]

Figure 11: Disability Type by Age, 2021

	Montgomery County	
	#	%
Total population	605,525	100%
With one or more disabilities	58,266	9.6%
Hearing difficulty	18,285	3.0%
Under Age 18	871	0.5%
Ages 18 to 64	6,703	1.8%
Age 65 and over	10,711	13.5%
Vision difficulty	10,494	1.7%
Under Age 18	1,135	0.7%
Ages 18 to 64	5,435	1.5%
Age 65 and over	3,924	5.0%
Cognitive difficulty	22,456	4.0%
Under Age 18	4,864	4.0%
Ages 18 to 64	11,844	3.2%
Age 65 and over	5,748	7.3%
Ambulatory difficulty	27,478	4.9%
Under Age 18	224	0.2%
Ages 18 to 64	11,981	3.3%
Age 65 and over	15,273	19.3%
Self-care difficulty	9,909	1.8%
Under Age 18	693	0.6%
Ages 18 to 64	4,348	1.2%
Age 65 and over	4,868	6.2%
Independent living difficulty	17,071	3.8%
Ages 18 to 64	8,483	2.3%
Age 65 and over	8,588	10.9%

Source: US Census Bureau ACS 2021 (S1810)

Among the civilian noninstitutionalized population between the ages of 18 and 64, there are significant differences in labor force participation rates among those with and without a disability. The labor force participation rate among those with one or more disabilities was 50.9% in Montgomery County, compared to 79.7% among those with no disability. This means that only about half of the County's residents with one or more disabilities are participating in the labor force—nearly 30% less than those with no disability. Moreover, the unemployment rate of persons with disabilities is 4.3% higher than the unemployment rate of those without a disability.

[1] US Census Bureau ACS 2021 (S1810)

Figure 12: Employment and Labor Force Participation by Disability Status, 2021

	Montgomery County	
	#	%
Civilian noninstitutionalized population age 18 to 64	366,260	100%
No disability	338,592	92.4%
In labor force	269,825	79.7%
Employed	259,421	96.1%
Unemployed	10,404	3.9%
Not in labor force	68,767	20.3%
With one or more disabilities	27,668	7.6%
In labor force	14,096	50.9%
Employed	12,061	85.6%
Unemployed	2,035	14.4%
Not in labor force	13,572	49.1%

Source: US Census Bureau ACS 2021 (C18120)

Only about half of the County's residents with one or more disabilities are participating in the labor force—nearly 30% less than those without a disability.

In Montgomery County, the median annual earnings among persons with disabilities was equivalent to 75.4% of the median annual earnings of $47,503 for persons without disabilities. Even in the absence of discrimination, persons with disabilities often experience greater obstacles in securing affordable housing that is accessible due to the higher potential for lower wages and rates of employment.

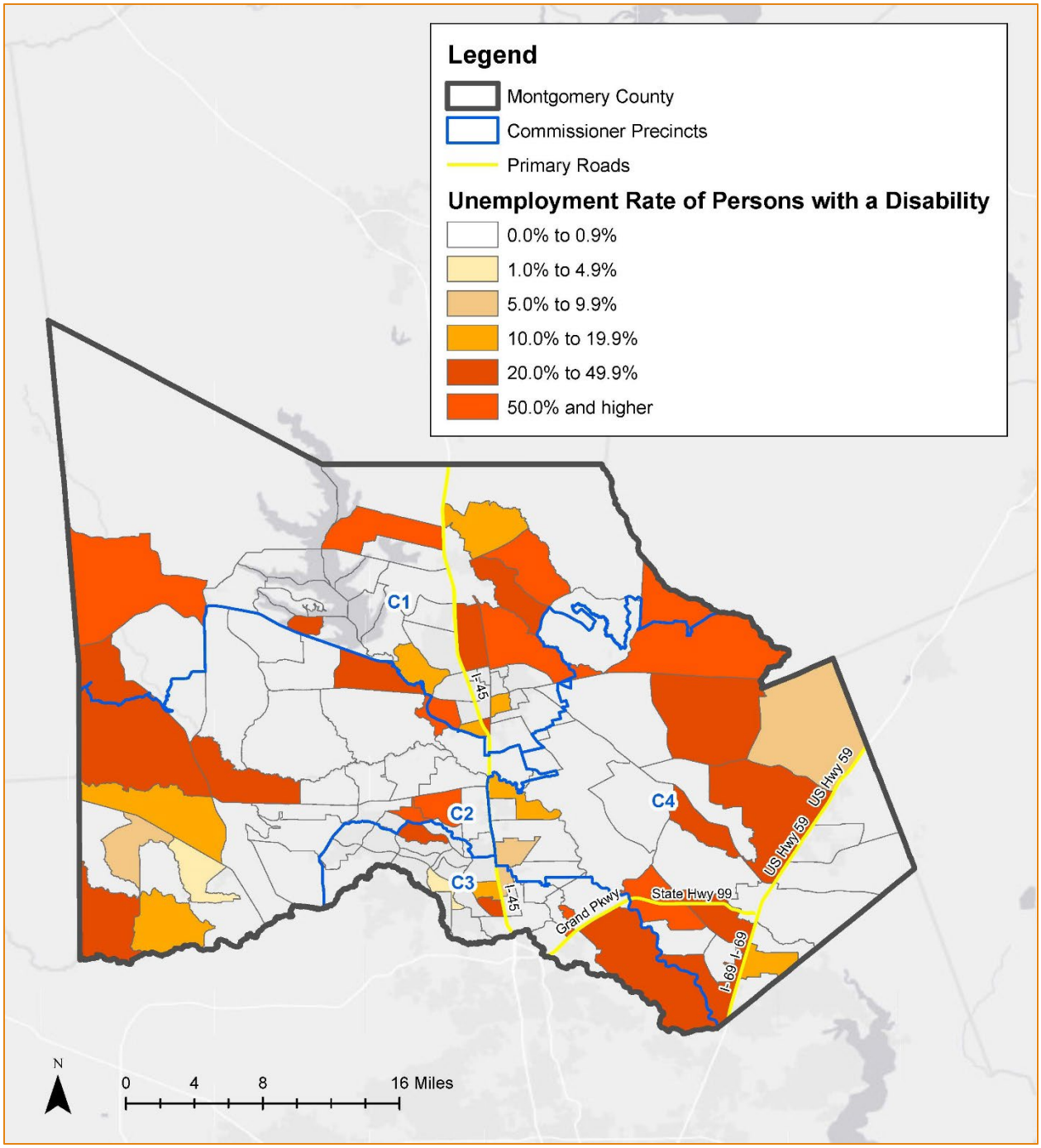
Figure 13: Median Earnings and Poverty Rates by Disability Status Among Civilian Noninstitutionalized Population Age 16 and Older with Earnings, 2021

Population	Median Annual Earnings	Poverty Rate
Civilian noninstitutionalized population age 16 and over with earnings	$46,697	7.9%
With a disability	$35,838	15.0%
Without a disability	$47,503	7.0%

Sources: US Census Bureau ACS 2021 (B18140); US Census Bureau ACS 2021 (S1811)

Figure 14: Unemployment Rate of Persons with at Least One Disability, 2021

The unemployment rate of persons with disabilities is 4.3% higher than the unemployment rate of persons without a disability.



Source: US Census Data ACS 2021 (C18120)

Household Type

The Census Bureau defines households as either family or non-family. Family households are married couples with or without children, single parents with children, and other families comprised of related

persons. Non-family households are either single persons living alone or two or more non-related persons living together.

Title VIII of the Civil Rights Act of 1968 protects against gender discrimination in housing. Protection for families with children was added in the 1988 amendments to Title VIII. Except in limited circumstances involving elderly housing and owner-occupied buildings of one to four units, it is unlawful to refuse to rent or sell to families with children.

Between 2016 and 2021, the number of households with children in the County increased by 15.8%. Of the households with children, the largest increase was among married couples with children which increased by 21.3%. The number of male headed households with children increased by 8.1%, and female headed households with children saw little change (-1.7%).

Figure 15: Households by Type and Presence of Children, 2016-2021

	Total Number of Households (with and without children)	Family Households						Non-Family Households
		Married with Kids	Married without Kids	Female Headed with Kids	Female Headed without Kids	Male Headed with Kids	Male Headed without Kids	
2016	179,587	48,573	58,151	11,365	7,271	4,422	3,640	46,165
2021	214,328	58,933	73,159	11,170	8,943	4.778	3,926	53,419

Source: US Census Bureau ACS 2016 5-Year (B11001, B11003), US Census Bureau ACS 2021 5-Year (B11001, B11003)

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower-incomes and the potential unwillingness of some landlords to rent their units to families with children. In Montgomery County, female-headed households with children comprised 14.9% of all households with children, but 38.7% of all households with children living below the poverty level.

Figure 16: Poverty Rate by Households Type and Presence of Children, 2021

	Households Below Poverty Level	
	Number	**Percentage of all Households Below Poverty Level**
Married Couple Families with Children	12,043	41.5%
Male householder with Children	5,726	19.7%
Female householder with Children	11,248	38.7%

Source: US Census Bureau 5-Year ACS 2021 (B17006)

Income, Unemployment and Poverty

Household income is strongly related to housing choice, as household income is one of several factors used to determine eligibility for a home mortgage loan or rental lease. Employment greatly influences an individual's poverty status and housing choice. Lower earnings due to unemployment and income disparities limit a household's ability to afford housing.

Key Findings

- Data shows White households represent the majority of Montgomery County residents and have a median household income of $91,783 in 2021—approximately $23,000-$24,000 more than the median household income of African American and Hispanic households, respectively.

- Data shows African American residents experienced higher rates of unemployment compared to any other racial or ethnic group. Women have a slightly higher unemployment rate than men. Persons with one or more disabilities are less likely to participate in the labor force, and when they do, they are more likely to be unemployed than persons without a disability.

Income Trends

Median household income (MHI) in Montgomery County was $88,597, a 25.1% increase since 2016.[2] In 2021, African American and Hispanic households were the only two racial/ethnic groups whose MHI was less than the County's. White, Asian, and American Indian/Alaska Native households were among the highest earners.

Figure 17: Median Household Income by Race/Ethnicity, 2021

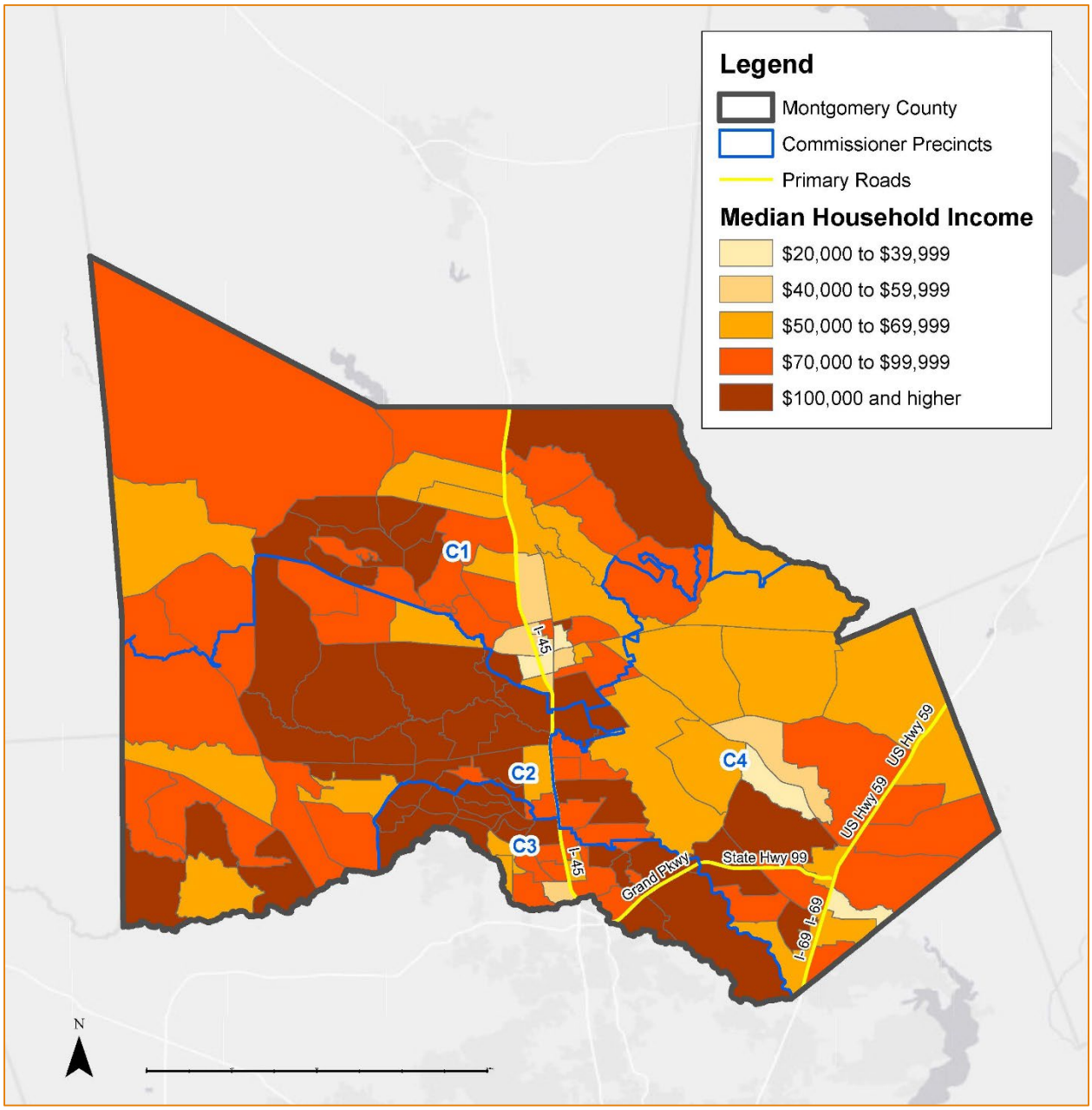
	Median Income
White	$91,783
African American or African American	$68,559
American Indian or Alaska Native	$160,930
Asian	$174,050
Native Hawaiian or Other Pacific Islander	-
Some Other Race	$76,701
Hispanic	$67,742

Sources: US Census Bureau ACS 2021 (B19013), ACS 2021 (B19013A), ACS 2021 (B19013B), ACS 2021 (B19013C), ACS 2021 (B19013D), ACS 2021 (B19013E), ACS 2021 (B19013F), ACS 2021 (B19013I)

[2] Source: US Census Bureau ACS 2021 5-Year Estimates (B19013)

Median household income varies geographically across the County. Some of the lowest median household incomes are found around Conroe in the central area, in the far southeastern corner of Commissioner Precinct 2, and in the southeastern area of Commissioner Precinct 4.

Figure 18: Median Household Income, 2021



Source: US Census Bureau ACS 2021 (B19013)

The 2021 unemployment rate in Texas was 5.4% among those age 16 years and over.[3] Montgomery County's unemployment rate was slightly lower at 4.6%. African American residents experienced higher rates of unemployment compared to any other racial or ethnic group with an unemployment rate of 7.2%. Women (of any race/ethnicity) have a slightly higher unemployment rate than men. Persons with one or more disabilities are less likely to participate in the labor force, and when they do, they are more likely to be unemployed than persons without a disability.

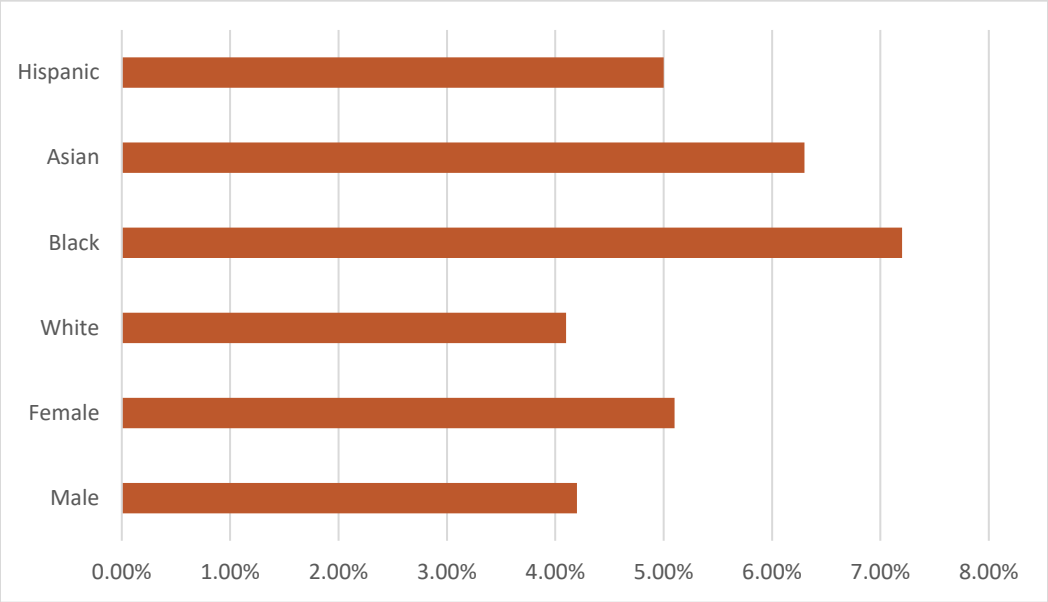
Figure 19: Civilian Labor Force (CLF) Aged 16 and Older, 2021

	Montgomery County	
	#	%
Total CLF	303,618	100.0%
Employed	289,747	95.8%
Unemployed	13,871	4.2%
Male CLF	168,935	100.0%
Employed	161,919	95.8%
Unemployed	7,016	4.2%
Female CLF	134,683	100.0%
Employed	127,828	94.9%
Unemployed	6,855	5.1%
White CLF	237,696	100.0%
Employed	227,905	95.9%
Unemployed	9,791	4.1%
African American CLF	17,948	100.0%
Employed	16,647	92.8%
Unemployed	1,301	7.2%
Asian CLF	11,236	100.0%
Employed	10,532	93.7%
Unemployed	704	6.3%
Hispanic CLF	77,111	100.0%
Employed	73,287	95.0%
Unemployed	3,824	5.0%

Source: US Census Bureau, 2021 ACS 5-Year (B17005, C23002A, C23002B, C23002D, C23002I)

[3] US Census Data ACS 2021 (S2301)

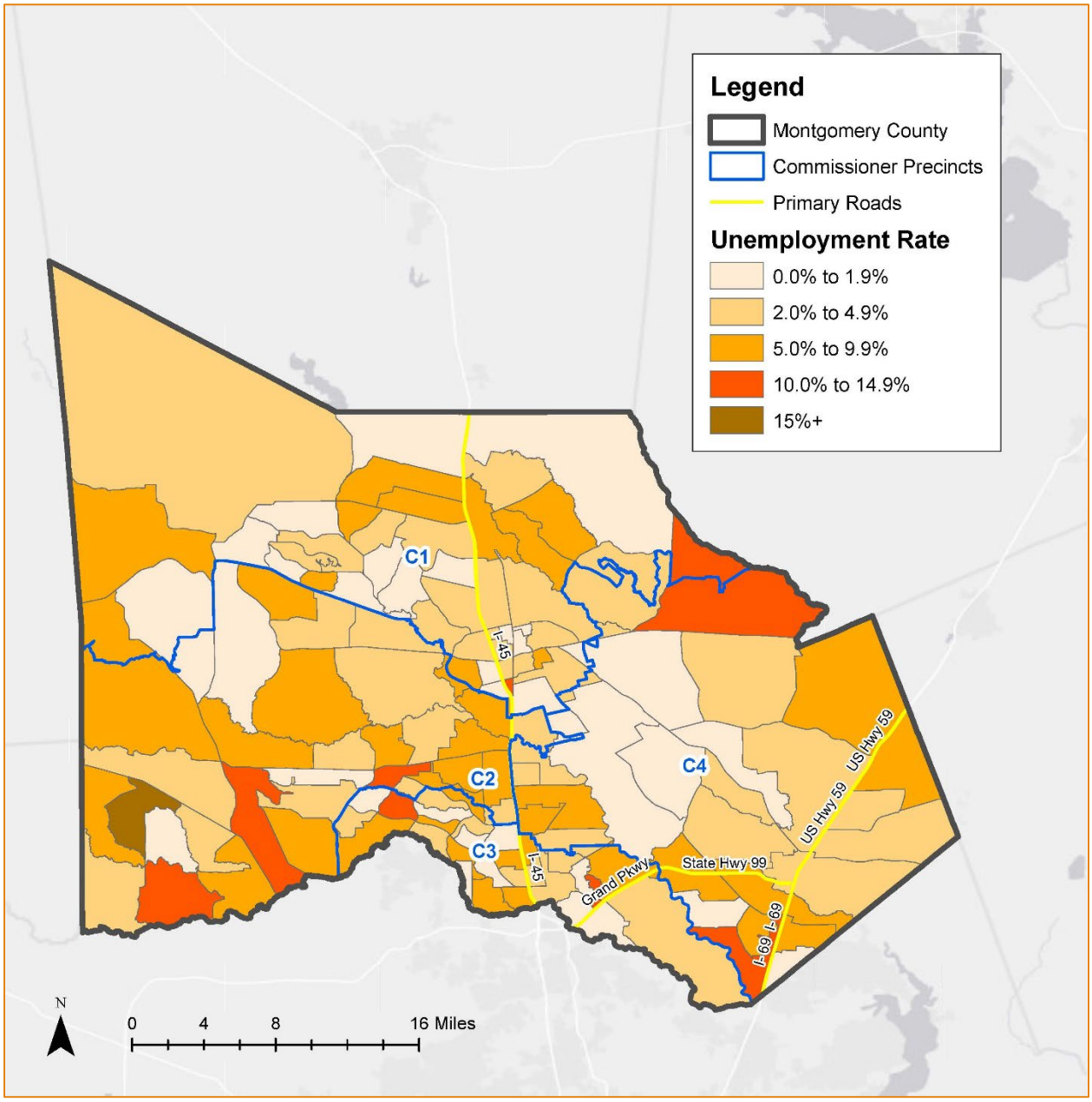
Figure 20: Unemployment Rates of Protected Classes within the Civilian Labor Force, 2021



Source: US Census Bureau, 2021 ACS 5-Year (B17005, C23002A, C23002B, C23002D, C23002I)

Higher unemployment rates are generally found along the outer edges of Montgomery County, particularly along the southern edges.

Figure 21: Unemployment Rate, 2021



Housing Profile

Key Findings

- According to 2021 American Community Survey data, Montgomery County's housing stock is modern with the median year of structures built being 2001 compared to 1988 for Texas as a whole.
- The homeownership rate was 72.7% in 2021.
- The homeownership rate among White residents is 73.4%
- The homeownership rate among African American households is at 6.4%
- From 2016 to 2021, median home values in Montgomery County increased by 22.8%, while median gross rent values increased by 8.4%.
- African American and Hispanic renters are cost burdened at higher rates than White renters.
- African American and Hispanic renter households experience cost burden rates at 42.2% and 50.2%, respectively. By comparison, 39.9% of White renters are cost-burdened.

Housing Inventory

Montgomery County's housing inventory remains primarily single-family owner-occupied housing. Among owner-occupied units, 12.2% are mobile homes. There are approximately 62.5% more owner-occupied units than there are renter-occupied units in the County. Among renter-occupied units, 32.5% are single-family units and 25.4% are in larger buildings with 20+ units.

Figure 22: Housing Unit Types by Tenure, 2021

	Owner	Renter
Total*	155,326	58,180
Single-Family	135,124	18,907
2-4 units	201	2,782
5-9 units	512	3,630
10-19 units	125	10,346
20+ units	455	14,776
Mobile Home	18,909	7,739

*Does not include boats, RVs, vans, etc.
Source: US Census Bureau ACS 2021 (B25032)

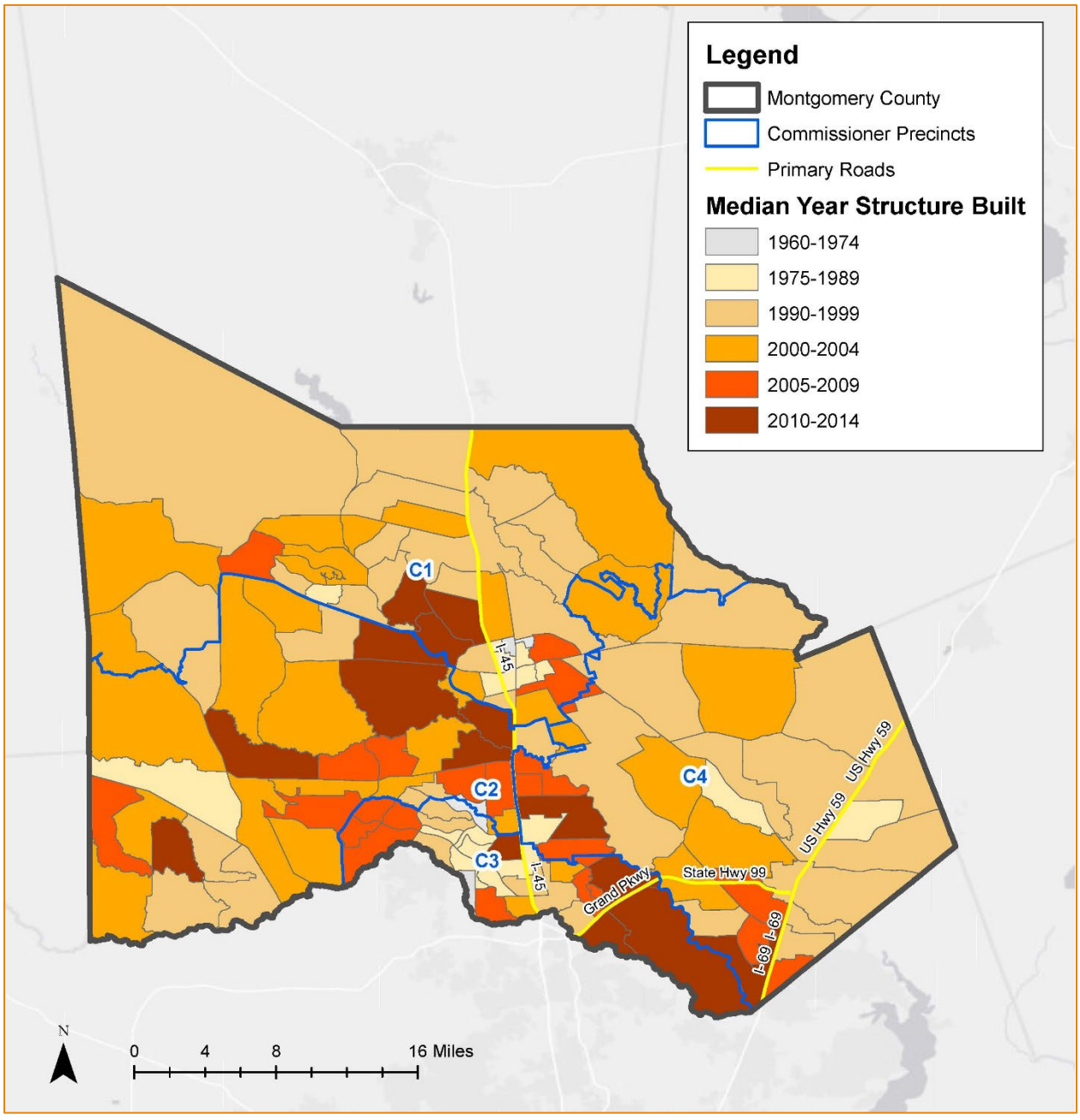
Age of Housing Stock

Older homes typically need mechanical systems and energy efficiency upgrades, which may not be financially feasible, particularly among low- and moderate-income households. High energy costs can contribute to cost burden. For persons with health conditions such as asthma, features such as excessive moisture and dampness, inadequate or poorly maintained heating and ventilation systems and structural defects are associated with exposure to indoor asthma triggers.

Another significant concern is the presence of lead-based paint. In 1978, the federal government banned the use of lead-based paint in homes after studies showed that lead caused severe health problems, particularly among children under the age of six. The nervous systems of children can even be damaged before birth. Although lead-based paint is no longer on the market, many older homes still have lead-based paint on the walls and trim. Scraping paint and sanding old paint can release dust containing lead that, when inhaled, can be harmful.

According to 2021 American Community Survey data, Montgomery County's housing stock is more modern with the median year of structures built being 2001 compared to 1988 for Texas as a whole, reflective of the recent population growth in the County in recent years.

Figure 23: Median Year Structure Built, 2021



Source: US Census Bureau ACS 2021 (B25035)

Housing Tenure

The value in home ownership lies in the accumulation of wealth as the owner's share of equity increases with the property's value. Paying a monthly mortgage instead of rent is an investment in an asset that is likely to appreciate. According to one study, "a family that puts 5 percent down to buy a house will earn a 100 percent return on investment every time the house appreciates 5 percent."[4]

Among occupied housing units in Montgomery County, the homeownership rate was 72.7% in 2021. However, there are variations in homeownership rates by racial/ethnic group. African American and Hispanic households are under-represented among homeowners. The homeownership rate among African American households is at 6.4% and Hispanic homeownership is 17.4%. Lower household incomes and higher unemployment rates make it more difficult to maintain a home.

Figure 24: Tenure by Race/Ethnicity, 2021

	Homeowners		Renters		Population	
	#	%	#	%	#	%
Total	155,914	95.2%	58,414	95.4%	607,999	100.0%
White	114,864	73.7%	36,652	62.7%	531,207	87.4%
African American	6426	4.1%	5,661	9.7%	38,865	6.4%
Hispanic	27,153	17.4%	13,434	23%	153,488	25.2%

Source: US Census Bureau, ACS 2021 5-Year (B25003, B25003B, B23003H, B25003I, DP05)

Housing Affordability

Increasing housing costs are not a direct form of housing discrimination. However, a lack of affordable housing does constrain housing choice. Residents may be limited to a smaller selection of neighborhoods or communities because of a lack of affordable housing in other areas.

Home values are often used as a proxy for other non-market goods affecting quality of life, such as accessibility to public transit and green space, growth potential in terms of population and development, quality of schools, and more. From 2016 to 2021, median home values in Montgomery County increased by 22.8%, while median gross rent values increased by 8.4%.

Figure 25: Median Gross Rent and Median Household Income and Median Home Values, 2016-2021 (adjusted to 2021 dollars)

	2016	2021	Change 2016-2021	
			Change	Percentage
Median Home Value	$209,781	$257,700	+$47,919	+22.8%
Median Gross Rent	$1,189	$1,289	+$100	+8.4%
Median Household Income	$78,177	$88,597	+10,420	+13.3%

Source: US Census Bureau, ACS 2021 & 2016 5-Year (B25058, B25064, B25077)

[4] Kathleen C. Engel and Patricia A. McCoy, "From Credit Denial to Predatory Lending: The Challenge of Sustaining Minority Homeownership," in Segregation: The Rising Costs for America, edited by James H. Carr and Nadinee K. Kutty (New York: Routledge 2008) p. 82.

From 2016 to 2021, median home values outpaced the increase in MHI making it more difficult for the median household income to purchase a median valued home.

Cost Burden

Cost burdened households are defined by HUD as households spending more than 30% of their monthly income on housing costs. Severely cost burdened households spend more than 50% of their monthly income on housing costs. Independent from median income, cost burden serves as an indicator of a homeowner's ability to afford property maintenance and improvements. As a household spends an increasing proportion of its income on housing costs, there is less income available for other necessities such as groceries, health care, transportation, and childcare.

Across the County, renters are more likely to be cost burdened than homeowners. African American and Hispanic renters are cost burdened at higher rates than White renters. These patterns persist among homeowners. While equaling 10.0% and 20.5% of the total renter population in the County, African American and Hispanic renter households are cost-burdened at 42.2% and 50.2%, respectively. By comparison, White renters account for 64.7% of the renter population but 39.9% of cost-burdened renters. Factors that can contribute to becoming cost-burdened include lack of employment and lower incomes.

Figure 26: Cost Burden Status by Race/Ethnicity and Tenure, 2019

	Total Households		Cost Burdened Households			
			Owners		Renters	
	Owners	Renters	#	%	#	%
White	107,370	37,225	19,580	18.2%	14,845	39.9%
African American	4,555	5,745	10,35	22.7%	2,435	42.4%
Hispanic	23,415	11,775	6,970	29.8%	5,910	50.2%

Source: 2015-2019 Comprehensive Housing Affordability Strategy

Evaluation of the County's Current Fair Housing Legal Status

Montgomery County residents can receive fair housing services from the Texas Department of Housing and Community Affairs (TDHCA), Texas Workforce Commission, Greater Houston Fair Housing Center, Inc., Montgomery County Community Development (Fair Housing Liaison), and the HUD Office of Fair Housing and Equal Opportunity. These fair housing entities provide education and outreach, process fair housing complaints, investigate complaints through testing and/or work to promote a mutual understanding of diversity among residents.

Key Findings

- There continues to be a need for fair housing education, outreach and enforcement in order to assist members of the protected classes access and retain their housing.

Fair Housing Statutes

Federal Statutes

Several federal statutes protect people from housing discrimination or from being denied participation in federally funded programs. These include:

- The federal **Fair Housing Act** protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities.
- Title VI of the **Civil Rights Act** of 1964 provides that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Title VI applies to programs or activities receiving federal financial assistance from HUD.
- Section 504 of the **Rehabilitation Act** of 1973 prohibits discrimination on the basis of disability in any program or activity receiving federal financial assistance. Titles II and III of the Americans with Disabilities Act prohibits discrimination on the basis of disability in all programs, services, and activities of public entities and by private entities that own, operate, or lease places of public accommodation.
- Title I of Section 109 of the **Housing and Community Development Act** of 1974 prohibits discrimination on the basis of race, color, national origin, disability, age, religion, and sex within Community Development Block Grant (CDBG) programs or activities.

State Statute

In conjunction with the federal Fair Housing Act, the Texas Fair Housing Act, which was passed in 1989, protects residents from discriminatory practices in the sale, rental, and financing of housing. The law prohibits discrimination based on the same seven protected classes in the Fair Housing Act. The Texas Act is substantially equivalent to the federal Fair Housing Act. Substantial equivalency certification is granted if HUD determines that a state or local agency enforces a law that is substantially equivalent to the federal Fair Housing Act with regard to substantive rights, procedures, remedies and the availability of judicial review.

Fair Housing Entities

U.S. Department of Housing & Urban Development

The Office of Fair Housing & Equal Opportunity (FHEO) of HUD administers federal laws and establishes national policies to ensure that all Americans have equal access to housing of their choice. Housing discrimination complaints filed with HUD may be referred to the Division of Civil Rights for investigation.

Texas Department of Housing and Community Affairs (TDHCA)

Through education, outreach, training, program administration, monitoring, and rule provision, TDHCA works to ensure that its housing and assistance programs are compliant with HUD's requirements and regulations regarding fair housing. TDHCA's fair housing staff also administer Texas Administrative Code rules related to reasonable accommodations, written policies and procedures, and affirmative marketing.

Texas Workforce Commission

Texas Workforce Commission is a substantially equivalent agency and a grantee of HUD's Fair Housing Assistance Program (FHAP). For this reason, it receives funding from HUD to investigate housing discrimination complaints filed within Texas, including Montgomery County.

The Greater Houston Fair Housing Center

This organization offers training, presentations and printed educational materials to those interested in learning about fair housing, including non-profit agencies, jurisdictions, housing managers, management companies and staff, real estate companies and others.

Montgomery County Community Development Department

Montgomery County designated the Community Development Department as its Fair Housing Liaison to handle fair housing complaints and activities in Montgomery County.

Existence of Housing Discrimination Complaints

Montgomery County submitted a written request to HUD for a list of the housing discrimination complaints received from residents over the past five years. No response has been received to date.

Fair Housing Survey

This section includes a summary of the results of an online resident survey conducted in 2023. The survey was made available in English and Spanish. Of the 411 responses received, only 2 individuals responded to the Spanish version.

The survey posed questions on housing discrimination. Of the 409 responses to the question asking if respondents had experienced discrimination in their search for housing in Montgomery County:

- 12.5% reported that they felt they had been discriminated against
- Another 7.1% were unsure
- Among those who answered "yes" or that they were unsure:
    - 48.2% identified the landlord or property manager as the person who may have discriminated against them
    - Additional responses (for persons who may have discriminated against them) included persons living in the neighborhood (11), a real estate agent (4), and a lending institution (7)

Specific locations where discrimination was reported to have occurred included:

- A neighborhood with mostly single-family homes (50%)
- An apartment complex (30.4%)
- A trailer or mobile home park (5.4%)
- Public housing or other subsidized housing (3.6%)
-

Race was the most common basis alleging discrimination (52.8%) followed by:

- Color of skin (28.3%)
- Familial status (28.3%)
- Disability (15.1%)
- Sex (9.4%)
- National origin (5.7%)
- Sexual orientation (5.7%)

Of the 80 respondents who reported they had been discriminated against, or were unsure if they had been discriminated against, only 5 reported discriminatory behavior. Of those who gave a reason for not reporting the incident of possible discrimination (60%), the following reasons were provided by respondents as to why they did not report the behavior:

- 54.2% didn't think it would make a difference
- 18.8% didn't know who to report it to
- 6.3% were afraid of retaliation
- 4.2% thought it was too much trouble to report it

Respondents were asked if they had ever been denied reasonable accommodation by a landlord. (A reasonable accommodation is a change in rule, policy, practice, or service that may be necessary to allow a person with a disability the equal opportunity to use and enjoy a dwelling. One example of a reasonable accommodation is a landlord allowing a person with a disability to install an entrance ramp in order to get into a dwelling unit.) Fourteen respondents replied "yes" to this question and another ten respondents replied that they were not sure. Although seemingly a low number, the 14 respondents who replied that they had been denied reasonable accommodation by a landlord are potentially 14 individuals who may have been denied housing because of a disability.

When asked what respondents would do if they felt they had been discriminated against in their search for housing:

- 32.5% would do nothing and look for other housing
- 22.0% wouldn't know what to do
- 18.8% would tell the person that they were behaving in a discriminatory manner
- 18.8% would report the discrimination
- 4.1% would file a complaint with a lawyer

Public Sector Policy Review

The analysis of impediments is a review of impediments to fair housing choice in the public and private sector. Impediments to fair housing choice are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status or national origin that restrict housing choices or the availability of housing choice, or any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin. Policies, practices or procedures that appear neutral on their face, but which operate to deny or adversely affect the provision of housing to persons of a particular race, color, religion, sex, disability, familial status or national origin may constitute such impediments.

An important element of the AI includes an examination of public policy in terms of its impact on housing choice. This section also evaluates several programmatic policies of Montgomery County to determine opportunities for furthering the expansion of fair housing choice.

Key Findings

- The County's Anti-Displacement and Relocation Plan should be amended to include the HOME Program (as falling under the URA requirements) and reference HUD Handbook No. 1378 on tenant relocation assistance.

Anti-Displacement and Relocation Plan

The Uniform Relocation Assistance and Real Property Acquisition Act (URA) is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

The County is required to describe its plans to minimize the displacement of people and to assist any people displaced. When displacement is unavoidable on a temporary or permanent basis, the County must comply with the federal Uniform Relocation Act. Should displacement of residents be necessary as a result of the use of federal funds, the County is required to compensate residents who are actually displaced in accordance with *HUD Handbook No. 1378, Tenant Assistance, Relocation and Real Property Acquisition*.

The County's Anti-Displacement and Relocation Plan was reviewed for the AI. The plan is in the process of being amended to include the HOME Program (as falling under the URA requirements) and reference HUD Handbook No. 1378 (updated through 2019).

Section 3 Policy

It is the policy of the Montgomery County Community Development Department to promote opportunity for full participation by low- and very low-income persons and to businesses which provide economic opportunities to low- and very low-income persons in its CDBG, HOME and Emergency Solutions Grant (ESG) Programs. For these reasons, MCCD adopted a Section 3 Plan to manage the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of the County. The MCCD has developed its Section 3 Action Plan to identify the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Under the Section 3 Program, contractors and subcontractors are required to provide economic opportunities, particularly employment opportunities, to Section 3 residents in Montgomery County. Contractors will be required to demonstrate efforts made to reach out to Section 3 residents for employment and training opportunities, and to report to MCCD any of their current employees that are Section 3 Workers as defined herein.

A Section 3 business must meet at least one of the following criteria: at least 51% of the business is owned by Section 3 residents; at least 30% of permanent fulltime employees are Section 3 residents; or a business that provides evidence of commitment to subcontract in excess of 25% of a contract dollar award to businesses that meet of the first two criteria. A Section 3 resident includes 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.

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with MCCD shall complete a Section 3 Business Certification, which can be obtained from the Section 3 Compliance Officer. Businesses seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program.

Language Access Plan

Persons with limited English proficiency (LEP) are defined as persons who have a limited ability to read, write, speak, or understand English. HUD uses the prevalence of persons with LEP to identify the potential for impediments to fair housing choice due to their inability to comprehend English. Persons with LEP may encounter obstacles when seeking or maintaining their housing by virtue of language and cultural barriers within their new environment. To assist these individuals, a community must recognize their presence and the potential for discrimination, whether intentional or inadvertent, and establish policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.

Montgomery County's Language Access Plan was adopted in June 2023 to ensure access for LEP persons to all Community Development Department programs and activities, including federal programs and activities provided by the County. According to the County's plan, language assistance services shall be provided to LEP persons whenever requested. The plan sets forth procedures on how to identify a person who may need language assistance, the ways in which assistance may be provided, training staff, how to notify LEP persons that assistance is available, and information for future plan updates.

Montgomery County Housing Authority

Montgomery County Housing Authority (MCHA) is a separate entity from the County of Montgomery. As a public housing authority, MCHA does not operate any project-based housing units but does administer a Housing Choice Voucher program. Through this program, income-eligible households are provided with tenant-based rental assistance to pay up to 30% of the monthly rent on an eligible unit in the private housing market. The remaining 70% of the voucher's value (i.e., monthly rent) is paid to the landlord.

MCHA administers 422 Housing Choice Vouchers with a program waiting list of 129 applicants. Among the applicant households, 76% are extremely low income at 0-30% AMI. The largest demographic group is African American/African American households, which account for 64%; White households represent 26% of applicants. African American/African American households, who account for 5% of the total population,

are disproportionately represented among the HCV waiting list applicants. More than half (54%) are families with children and 34% are households with members with a disability.

Private Sector Policy Review

In addition to the public sector policies that influence fair housing choice, there are private sector policies that can influence the development, financing, and advertising of real estate. In this section of the AI, mortgage lending practices are analyzed.

Under the terms of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (F.I.R.R.E.A.), any commercial lending institution that makes five or more home mortgage loans must report all residential loan activity to the Federal Reserve Bank under the terms of the Home Mortgage Disclosure Act (HMDA). The HMDA regulations require most institutions involved in lending to comply and report information on loans denied, withdrawn, or incomplete by race, sex, and income of the applicant. The information from the HMDA statements assists in determining whether financial institutions are serving the housing needs of their communities. The data also helps to identify possible discriminatory lending practices and patterns.

Key Findings

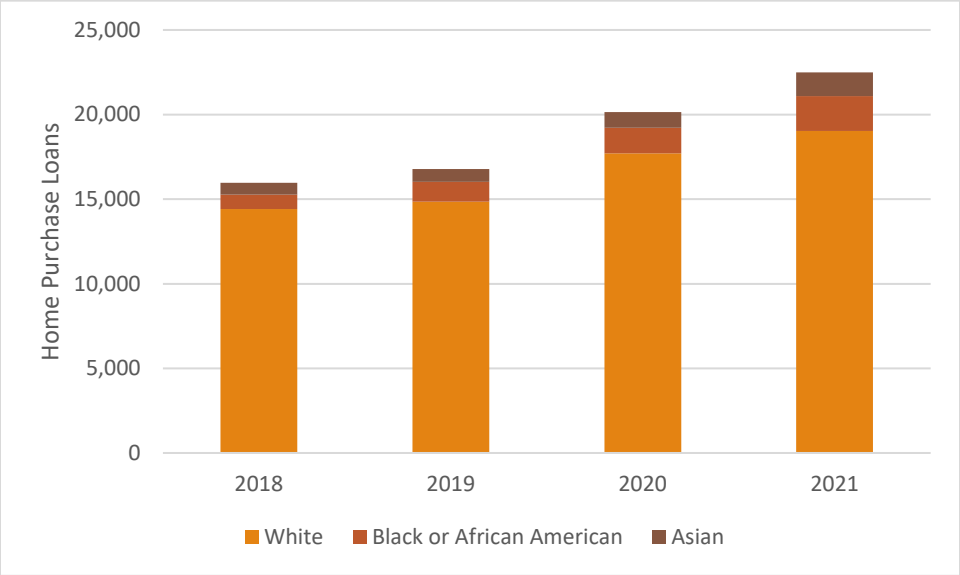
- A lower share of mortgage applicants included racial and ethnic minority households. About 7.3% of applicants identified as African American, 5.0% as Asian and 22.5% as Hispanic during the four-year period. In 2021, 6.4% of County residents identified as African American, 4.1% identified as Asian, and 25.2% identified as Hispanic.
- The most common reasons for loan denials across racial/ethnic groups included high debt-to-income ratios, credit history and/or incomplete applications.

Home Mortgage Lending

The most recent HMDA data available for Montgomery County is from 2018-2021. Reviewing this data helps to determine the need to encourage area lenders, other business lenders, and the community at large to actively promote existing programs and develop new programs to assist residents in securing home mortgage loans for home purchases. The data focuses on the number of homeowner mortgage applications received by lenders for home purchase of one- to four-family dwellings and manufactured housing units. The information provided is for the primary applicant only. Co-applicants were not included in the analysis. In addition, where no information is provided or categorized as not applicable, no analysis has been conducted due to lack of information.

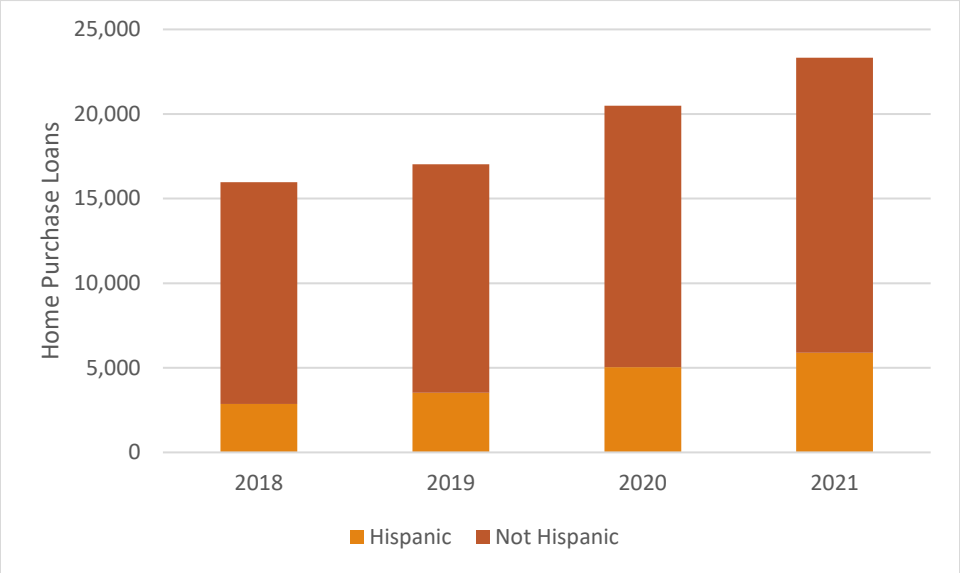
Throughout the four-year period, the majority of home purchase loan applicants (86.7%) in the County were White. A lower share of mortgage applicants included racial and ethnic minority populations. About 7.3% of applicants identified as African American and 5.0% of applicants identified as Asian. Ethnicity is counted separately from race in HMDA data, and 22.5% of applicants identified as Hispanic during this period. To compare, in 2021, 6.4% of County residents identified as African American, 4.1% identified as Asian, and 25.2% identified as Hispanic.

Figure 27: Home Purchase Loan Applicants by Race



Source: FFIEC HMDA

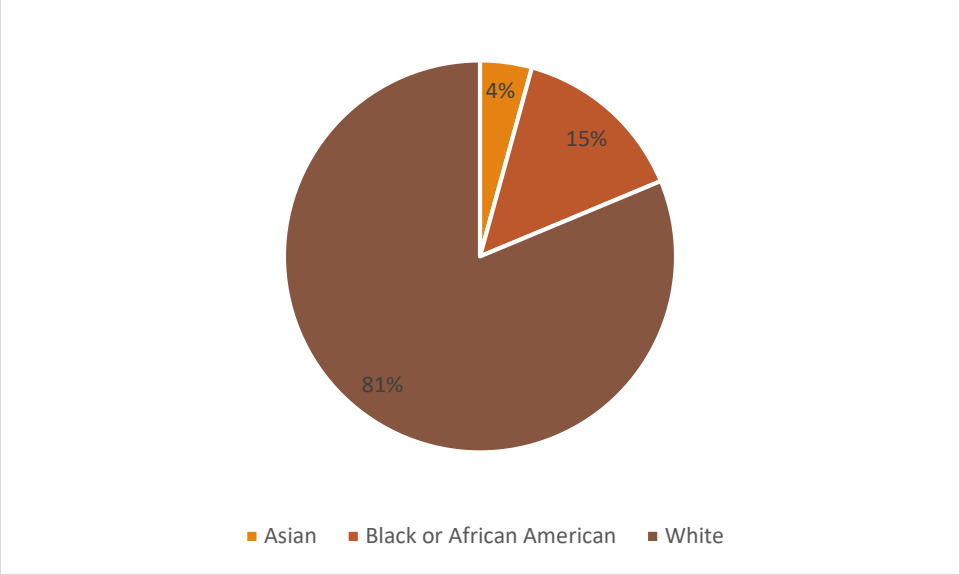
Figure 28: Home Purchase Loans by Ethnicity



Source: FFIEC HMDA

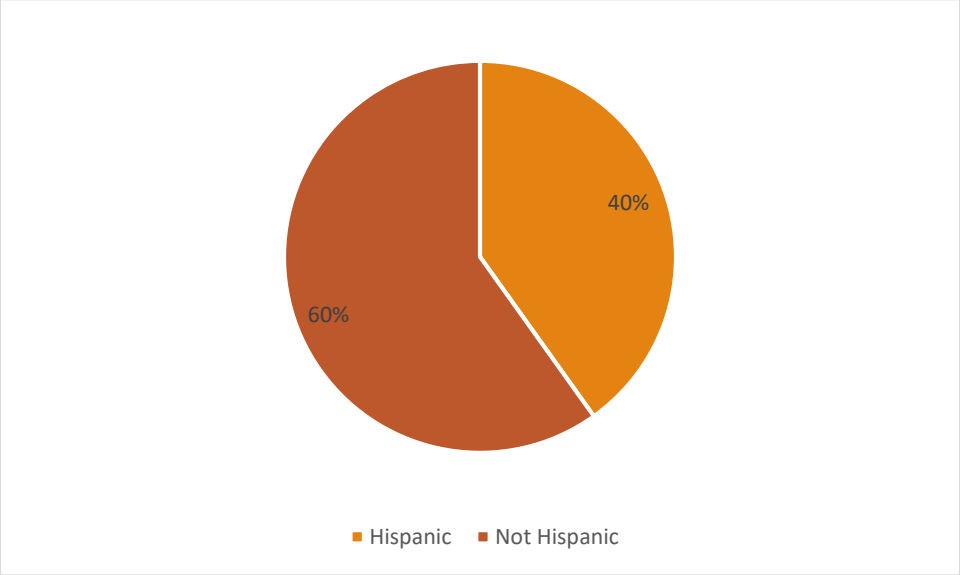
In 2021, 15% of residents who were denied home purchase loans identified as African American, despite accounting for 6.4% of the County population. Similarly, 40% of those who were denied home purchase loans in 2021 identified as Hispanic but represented 25.2% of the County population.

Figure 29: Denials by Race, 2021



Source: FFIEC HMDA

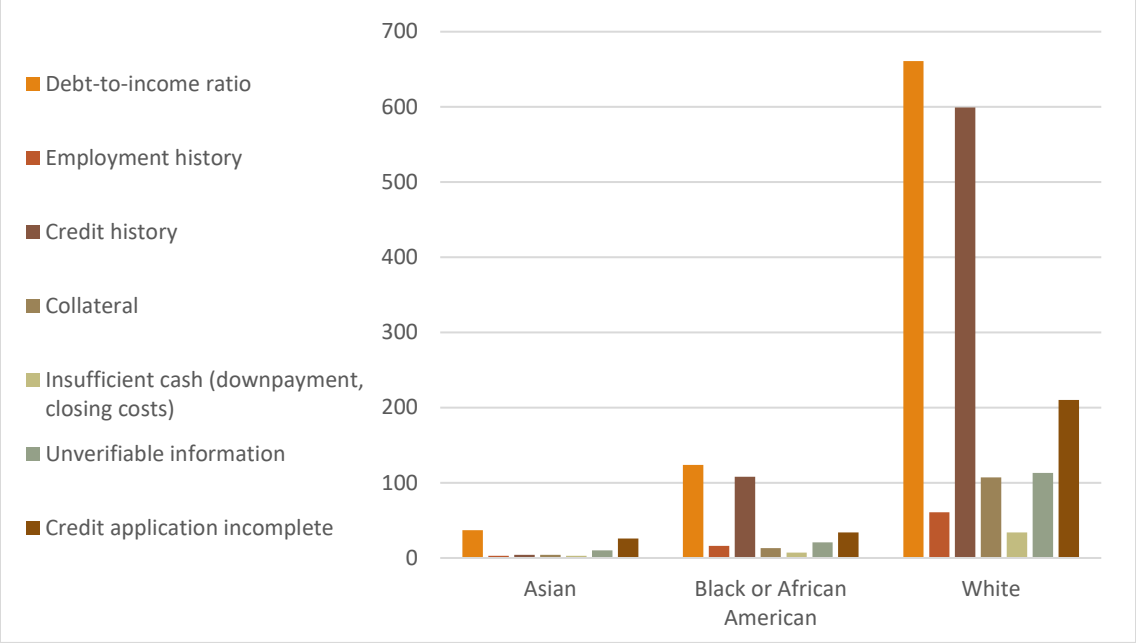
Figure 30: Denials by Ethnicity, 2021



Source: FFIEC HMDA

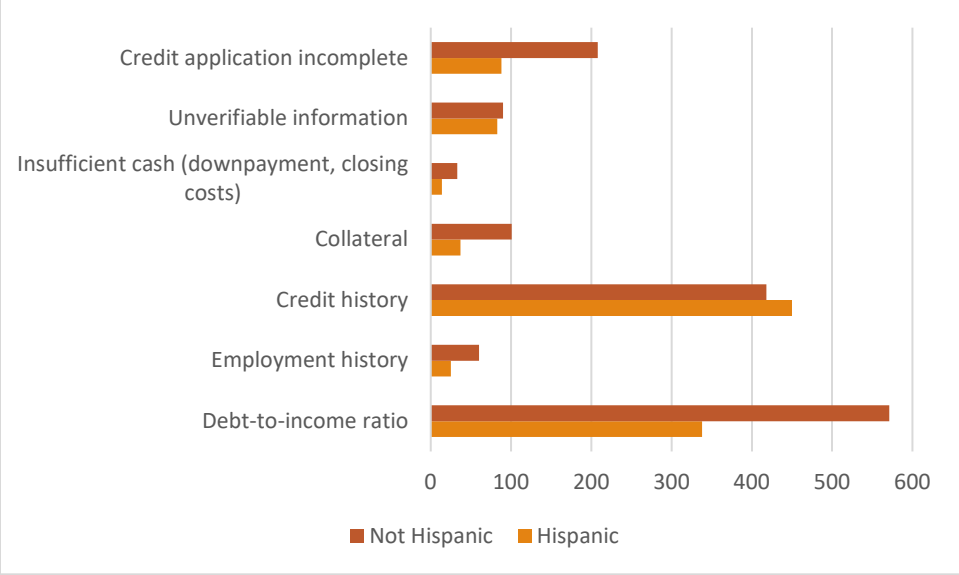
When looking at the reasons for applications being denied across the different racial and ethnic groups in 2021, there were some areas that stood out. The most common reasons for loan denials across racial/ethnic groups included high debt-to-income ratios, credit history and/or incomplete applications.

Figure 31: Denial Reason by Race, 2021



Source: FFIEC HMDA

Figure 32: Denial Reason by Ethnicity, 2021



Source: FFIEC HMDA

Fair Housing Action Plan

Impediments Identified

Based on these issues identified through the AI, four impediments to fair housing choice were identified. These include:

- Fair housing education and outreach efforts may not meet community needs, and a higher level of enforcement of fair housing laws is warranted.
- A lack of affordable housing and affordable housing that is accessible to persons with disabilities restricts housing choice for lower income African American households, Hispanic households, female-heads of households with children, and households with persons with disabilities. This also contributes to perpetuation of residential segregation patterns.
- Members of the protected classes tend to have higher rates of unemployment, lower incomes and higher rates of cost burden, which limits their housing choice.
- Non-White households are much less likely to become homeowners.

Fair Housing Action Plan

This section outlines actions to be taken, benchmarks, and a timeline associated with each action.

Actions	Entities Responsible	Benchmark	Time to Complete
Impediment A: Fair housing education and outreach efforts may not meet community needs, and a higher level of enforcement of fair housing laws is warranted.			
Provide fair housing education and outreach to the public, elected officials, HUD program subrecipients, and program staff.	Lead entity: Montgomery County Community Development Potential partners: TDHCA, HUD FHEO, Greater Houston Fair Housing Center	Number of people attending fair housing education programs; number of housing discrimination complaints filed	2024-2028
Impediment B: A lack of affordable housing and affordable housing that is accessible to persons with disabilities restricts housing choice for lower income African American households, Hispanic households, female-heads of households with children and households with persons with disabilities. This also contributes to perpetuation of residential segregation patterns.			
Facilitate the development of new and preservation of existing affordable housing for members of the protected classes.	Lead entity: Montgomery County Community Development Potential partners: Affordable housing developers and builders, local and regional supportive service agencies	Number of affordable units built; number of affordable units preserved; number of households assisted by race, ethnicity, disability status, familial status; number of households provided supportive services to maintain housing by race, ethnicity,	2024-2028

Actions	Entities Responsible	Benchmark	Time to Complete
		disability status, familial status	
Impediment C: Members of the protected classes tend to have higher unemployment, lower incomes and higher rates of cost burden, which limits their housing choice.			
Provide job training opportunities to help lower income residents increase their skills and employment opportunities	Lead entity: Montgomery County Community Development Potential partners: Qualifying Section 3 Businesses Nonprofit organizations that provide job training and related services to lower income residents	Number of Section 3 Businesses assisted; number of Section 3 Residents assisted; number of residents who participated in CDBG funded job training activities	2024-2028
Impediment D: Non-White households are much less likely to become homeowners.			
Provide credit counseling to members of the protected classes	Lead entity: Montgomery County Community Development Potential partners: Local and regional HUD-certified housing counselors	Number of people participated in homebuyer and/or credit counseling programs	2024-2028

Appendix

Racially/Ethnically Concentrated Areas of LMI Persons List

Label	Population	Percent of Total Population
R/ECAP (African American)		
Block Group 2, Census Tract 6919, Montgomery County, Texas	207	16.90%
Block Group 4, Census Tract 6924.02, Montgomery County, Texas	378	17.00%
Block Group 3, Census Tract 6941.05, Montgomery County, Texas	275	17.10%
Block Group 3, Census Tract 6916.02, Montgomery County, Texas	294	18.40%
Block Group 2, Census Tract 6903, Montgomery County, Texas	220	18.60%
Block Group 1, Census Tract 6941.03, Montgomery County, Texas	324	20.60%
Block Group 2, Census Tract 6914.03, Montgomery County, Texas	493	23.70%
Block Group 1, Census Tract 6914.01, Montgomery County, Texas	358	28.70%
Block Group 3, Census Tract 6918.02, Montgomery County, Texas	179	47.60%
Block Group 1, Census Tract 6931.03, Montgomery County, Texas	469	49.30%
		R/ECAP (Asian)
Block Group 1, Census Tract 6921.02, Montgomery County, Texas	260	14.40%
Block Group 2, Census Tract 6914.03, Montgomery County, Texas	593	28.50%
Block Group 3, Census Tract 6924.02, Montgomery County, Texas	335	30.80%
R/ECAP (Hispanic)		
Block Group 1, Census Tract 6928.02, Montgomery County, Texas	1389	35.20%
Block Group 1, Census Tract 6902.03, Montgomery County, Texas	700	35.40%
Block Group 1, Census Tract 6922.01, Montgomery County, Texas	1000	35.80%
Block Group 3, Census Tract 6928.04, Montgomery County, Texas	537	36.70%
Block Group 5, Census Tract 6922.02, Montgomery County, Texas	561	39.50%

Block Group 1, Census Tract 6930.01, Montgomery County, Texas	168	39.50%
Block Group 2, Census Tract 6942.04, Montgomery County, Texas	661	39.70%
Block Group 3, Census Tract 6925.01, Montgomery County, Texas	511	40.00%
Block Group 1, Census Tract 6902.05, Montgomery County, Texas	1293	40.30%
Block Group 1, Census Tract 6939.01, Montgomery County, Texas	521	40.30%
Block Group 1, Census Tract 6941.06, Montgomery County, Texas	634	40.60%
Block Group 3, Census Tract 6901.02, Montgomery County, Texas	112	40.70%
Block Group 4, Census Tract 6928.03, Montgomery County, Texas	900	40.80%
Block Group 2, Census Tract 6916.02, Montgomery County, Texas	945	40.90%
Block Group 1, Census Tract 6921.03, Montgomery County, Texas	2134	42.00%
Block Group 3, Census Tract 6926.05, Montgomery County, Texas	1353	42.10%
Block Group 1, Census Tract 6926.05, Montgomery County, Texas	344	43.10%
Block Group 2, Census Tract 6904.08, Montgomery County, Texas	1480	43.60%
Block Group 2, Census Tract 6914.01, Montgomery County, Texas	553	44.10%
Block Group 1, Census Tract 6928.03, Montgomery County, Texas	732	46.00%
Block Group 3, Census Tract 6941.05, Montgomery County, Texas	753	46.90%
Block Group 3, Census Tract 6944.02, Montgomery County, Texas	490	50.30%
Block Group 3, Census Tract 6904.07, Montgomery County, Texas	289	50.80%
Block Group 3, Census Tract 6928.02, Montgomery County, Texas	1174	50.90%
Block Group 1, Census Tract 6934.02, Montgomery County, Texas	1276	52.50%
Block Group 3, Census Tract 6927.02, Montgomery County, Texas	820	53.00%
Block Group 1, Census Tract 6914.03, Montgomery County, Texas	1674	53.10%
Block Group 2, Census Tract 6941.03, Montgomery County, Texas	599	56.00%

Block Group 4, Census Tract 6926.04, Montgomery County, Texas	519	56.40%
Block Group 1, Census Tract 6942.03, Montgomery County, Texas	1131	58.00%
Block Group 2, Census Tract 6924.01, Montgomery County, Texas	819	58.80%
Block Group 2, Census Tract 6919, Montgomery County, Texas	725	59.10%
Block Group 1, Census Tract 6940.02, Montgomery County, Texas	2844	59.60%
Block Group 3, Census Tract 6941.06, Montgomery County, Texas	800	59.80%
Block Group 2, Census Tract 6918.01, Montgomery County, Texas	1028	60.20%
Block Group 2, Census Tract 6926.01, Montgomery County, Texas	1550	62.90%
Block Group 2, Census Tract 6923.02, Montgomery County, Texas	62	63.90%
Block Group 2, Census Tract 6941.06, Montgomery County, Texas	1518	64.10%
Block Group 1, Census Tract 6926.01, Montgomery County, Texas	1218	64.50%
Block Group 2, Census Tract 6925.01, Montgomery County, Texas	1944	65.80%
Block Group 2, Census Tract 6928.02, Montgomery County, Texas	1897	66.10%
Block Group 1, Census Tract 6930.02, Montgomery County, Texas	2786	67.30%
Block Group 3, Census Tract 6926.01, Montgomery County, Texas	745	69.40%
Block Group 2, Census Tract 6925.02, Montgomery County, Texas	983	69.80%
Block Group 2, Census Tract 6904.07, Montgomery County, Texas	540	71.00%
Block Group 2, Census Tract 6930.01, Montgomery County, Texas	663	72.30%
Block Group 1, Census Tract 6901.02, Montgomery County, Texas	816	75.70%
Block Group 1, Census Tract 6926.03, Montgomery County, Texas	2185	81.30%
Block Group 1, Census Tract 6923.02, Montgomery County, Texas	1429	81.90%
Block Group 1, Census Tract 6926.04, Montgomery County, Texas	3641	82.80%
Block Group 2, Census Tract 6930.02, Montgomery County, Texas	1833	84.20%

Block Group 3, Census Tract 6923.02, Montgomery County, Texas	2320	84.70%
Block Group 3, Census Tract 6930.01, Montgomery County, Texas	1320	92.70%

Montgomery County Grants and Community Development

Montgomery County Fair Housing Plan

Updated September/2023
Annual C.C. Approval-August 13, 2024

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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, and 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:

Fair Housing Liaison
Montgomery County Community
Development 501 N. Thompson Suite 200
Conroe, TX 77301
Office: 936-538-8060
Email: CDBG.MCTX@MCTX.ORG
Fax: 936-538-8060

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 will be fully documented. A separate file will maintain a record of all housing discrimination complaints and follow-up actions.

Complaint Process
Housing discrimination complaint forms, a summary of actions which constitute housing discrimination, and instructions for completing and filing housing discrimination complaints are 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 non-profits, 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 keep a record of the progress of the number of complaints filed, actions taken, and the status of each complaint.

Implementation and Action Steps
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, per the Fair Housing Action Plan provided in the Analysis of Impediments.

1. Provide fair housing education and outreach. Montgomery County will expand housing and outreach efforts to the public, elected officials, HUD program subrecipients, and program staff.
    a. Educational materials will be made available to the public, elected officials, HUD program subrecipients, and program staff.
    b. Public Service announcements will be developed and posted on social

media sites.

c. Montgomery County will display Fair Housing posters identifying the County's Fair Housing Liaison, title, address and phone number in prominent locations such as libraries, nonprofit lobbies, and community centers.
d. Montgomery County will work with local non-profits in order to distribute Fair Housing information outside of traditional locations.

2. Provide new and preserve existing affordable housing. Montgomery County will facilitate the development of new and preservation of existing affordable housing for members of the protected classes.
    a. Montgomery County will manage an in-house homeowner rehabilitation program as well as partnering with local non-profits to execute additional housing rehabilitation programs.
    b. Montgomery County will provide funds to our CHDO in order to construct affordable housing and provide job training skills to

3. Provide job training opportunities. Montgomery County will partner with local non-profit agencies that provide job training and related services to help lower income residents increase their skills and future employment opportunities.

4. Credit counseling. Montgomery County will partner with local non-profit agencies who are HUD-certified housing counselors in order to provide credit counseling to members of the protected classes.

Additional Steps

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 when needed.
c. Community Development will seek opportunities to present factual data about Affordable Housing to local impacted elected officials and community leaders when necessary.

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. Survey the residents of the county to determine if they have experienced discrimination in housing or know anyone who has.
3. 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.

August 13, 2024

Mark Keough, County Judge — Date

Montgomery County Grants and Community Development

Funding Review Policies

Updated 7/2023

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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. As a condition of receiving funds the sub-recipient will enter into a standard contract required by the County.

6. 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.

7. 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.

8. 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.

9. 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.

#20 17B

JUN 13 2023

Montgomery County Grants and Community Development

Language Access Plan

Effective the 13th day of June, 2023

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

I. Purpose and Authority

Title VI of the Civil Rights Act of 1964 and its implementing regulations sets forth the guidelines for ensuring that programs receiving federal funding are making sufficient efforts to ensure that qualified persons, with limited English proficiency ("LEP") are aware of and have access to all programs of assistance for which they qualify. Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency", directs each Federal Agency that is subject to the requirements of Title VI to publish guidance for its respective recipients clarifying that obligation.

Therefore, in and for purposes of Montgomery County, Texas's compliance as a federal grant recipient, with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (in particular as promulgated by U.S. Housing and Urban Development Department [HUD] under its guidance) Montgomery County Grants and Community Development Department on behalf of Montgomery County, Texas ("Department") has established this Language Access Plan ("LAP"). The primary purpose of this plan is to establish strategies for interacting with and providing services to LEP individuals in order to ensure that they have access to all resources and services provided by the Department.

The Department, as the County department generally coordinating or assisting with federal grants' administration, shall take all reasonable steps to ensure that all its personnel and policies make a meaningful attempt to provide LEP persons with a means of effective communication and meaningful access to Departmental programs and activities. In the event the Department's language assistance services under this Plan are expressly requested by another Montgomery County department in relation to any federal grants or programs being handled by such requesting department, this LAP may also serve as the effective LAP for such department, provided that each requesting department shall remain responsible for its own budgetary impacts if any, and compliance with applicable grants and regulations, in this regard.

II. Policy Statement

It is the policy of the Department to provide timely meaningful access for LEP persons to all Department led programs and activities, including federal programs and activities provided by Montgomery County as recipient. Language assistance services shall be provided to LEP persons whenever a person with LEP requests language assistance services, as set forth herein.

III. Language Access Plan Summary

In the context of this LAP, Limited English Proficiency (LEP) is in reference to individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English [20 CFR § 641.140].

The Department has developed the Language Access Plan (LAP) to help identify reasonable steps for providing language assistance to persons with limited English proficiency who wish to access services, programs, and/or activities provided by Montgomery County, in particular federal programs and activities administered by Montgomery County as federal grant recipient. This LAP identifies procedures on how to identify a person who may need language assistance, the ways in which

assistance may be provided, training staff, how to notify LEP persons that assistance is available, and information for future Plan updates.

In order to decide what reasonable steps the Department should take to ensure meaningful access for LEP persons, the Department considers the following factors:

- The number or proportion of LEP persons eligible to be served or likely to be encountered by a Department program;
- The frequency with which LEP individuals come in contact with the Department program, activity, service;
- The nature and importance of the program, activity, or service provided by the Department; and
- The resources available to the Department and overall costs to provide the LEP assistance.

A brief description of the above considerations is provided in the following section.

IV. Four-Factor Analysis

The following Four-Factor Analysis will serve as the guide for determining which language assistance measures the Department will undertake to guarantee access to its programs, activities, or services.

1. The number or proportion of LEP persons eligible to be served or likely to be encountered by a County program.

The Department will use various methods to identify LEP persons with whom they have contact. These may include:

- Current or past experiences with LEP persons encountered by the Department's staff. The number and type of such encounters must be periodically analyzed by the Department to determine the breadth and scope of the language services required; and
- Most recent U.S. Census Bureau data: Department shall analyze data from the most recent U.S. Census Bureau data, regarding languages spoken in Montgomery County as well as those who self-identified that they spoke English less than "very well".

The Department has examined the U.S. Census Bureau's American Community Survey data, 2021 American Community Survey 5-Year Estimates, for Montgomery County, Texas, and was able to make the following approximations:

- 23% of the Montgomery County population age 5 and older speaks a language other than English at home. 7.7% of the population age 5 and older reported that they do not speak English very well;

- People speaking Spanish at home comprised the largest language group speaking a language other than English at home. 18.6% of the population age 5 and older speak Spanish at home. Of those, 6.7% reported they do not speak English very well;
- 2.2% of the Montgomery County population 5 and older speaks Other Indo-European languages at home. Of those, 0.4% reported they do not speak English very well;
- 1.7% of the Montgomery County population 5 and older speaks Asian and Pacific Islander languages at home. Of those, 0.5% reported they do not speak English very well;
- 0.5% of the Montgomery County population 5 and older speaks an unspecified or other language at home. Of those, 0.1% reported they do not speak English very well.

2. The frequency with which LEP individuals come in contact with the County program/activity and service.

In addition to research conducted to identify LEP persons in Montgomery County, the Department shall also annually compile information regarding the frequency of contact with LEP persons. The more frequent the contact and/or the number of requests for languages other than English, the more likely that language services for a specific language will be needed.

The Department will assess the frequency at which staff has or could possibly have contact with LEP persons. This includes documenting phone inquiries and in person inquiries for LEP assistance or materials, requests for language interpreters or translated material, and may include surveying public meeting attendees.

Department may further create a record of language assistance services provided, which can assist in accurately identifying and addressing the changing needs of their LEP communities, which in turn, can help identify changes to the quantity or type(s) of language assistance services.

3. The nature and importance of the program, activity, or service provided by the County.

The Department recognizes that within the range of programs, activities, and services provided by the County, the nature of some programs, activities, and services may be more important to LEP persons than others.

To determine the nature and importance of a County program, activity, or service provided to LEP persons, the Department will:

- Identify the programs, activities, and services that could have a serious consequence if language barriers prevent LEP persons from accessing those programs, activities, or services; and
- Determine the potential impacts that inability to access County/Department programs, activities, or services may have on the LEP person.

4. ***The resources available to the Department and overall costs to provide the LEP assistance.***

The Department will assess its available resources that could be used for providing LEP assistance. This shall include identifying the following:

- Which County staff and/or volunteer language interpreters are readily available;
- How much an external professional interpreter and translation service would cost;
- Which Department documents should be translated;
- Which organizations the Department could partner with for interpreter and translation services or outreach efforts;
- Which financial resources could be used to provide assistance; and
- What level of staff training is needed.

After analyzing the four factors, the Department has developed the Language Access Plan outlined in the following section for assisting LEP persons.

V. How to Identify an LEP Person Who Needs Language Assistance

Below are tools that may be used by Department to help identify persons who may need language assistance in relation to Department's programs:

- Have language identification cards or Census Bureau "I speak cards" at customer service counters in the Departmental offices, which invite LEP persons to identify their language needs to staff. While staff may not be able to provide translation assistance at the initial contact with an LEP person, the cards are an excellent tool to identify language needs for future contacts; and
- Posting notices in commonly encountered languages notifying LEP persons of language assistance to encourage LEP persons to self-identify their language needs.

VI. Language Assistance Measures

When an interpreter is needed, in person or on the telephone, staff should first determine what language is required. Bilingual staff may be able to assist with communications with LEP persons. The Title VI Coordinator/Human Resources will compile a list, from available records, of individual staff members who fluently write or speak a language other than English and distribute to the Department and update as necessary. If County/internal staff cannot assist, the Department shall access available resources from an external translation service.

Use of informal interpreters, such as family or friends of the LEP person seeking services, or other customers, is discouraged, with minor children generally prohibited from acting as interpreters. The use of informal interpreters is not the preferred method for interpretation, but can be used in the absence of other alternatives.

No staff may suggest or require that an LEP person provide an interpreter in order to receive services.

VII. Staff Training

Department staff will receive training on the importance of providing meaningful information and services to LEP communities in a way that they can understand. This training will be included as part of staff training and refresher training will be provided periodically at staff meetings. After completion of training, staff should understand:

- Their obligation to provide meaningful access to information and services to LEP individuals;
- The protocol for handling various encounters with LEP individuals, as established by this plan; and
- How to access translated materials and interpretation services for provision to LEP individuals.

Additional training may be provided to internal bilingual staff members on specific terminology, ethics, and regionalism to ensure effective communication with LEP individuals.

VIII. Translation Services

The Department will maintain a list of available bilingual staff (and the languages they speak), which will be typically provided by Human Resources to assist with translations. Vital documents or vital information contained within a document, as determined at the discretion of the Department, should be translated when a significant number or percentage of the LEP population is likely to be affected by the program/activity and it contains information that is critical for obtaining services and/or benefits. Written materials routinely provided in English should be provided in frequently encountered languages. Documents or written information for which the target audience is expected to include LEP individuals, must be printed in an alternative language based on the known LEP population.

IX. Providing Notice of Language Assistance Services

To ensure that members of LEP communities are aware of the free language assistance services provided to them, the following marketing and outreach steps will be taken:

- Posting signs that language assistance is available in public areas such as intake areas, customer service areas, and other Departmental entry points;
- Provide "I Speak" language identification cards to front office staff;
- Publish notices as needed for distribution in non-English media about programs and services offered; and
- Place translated materials in conspicuous locations describing different services.

X. Monitoring, Evaluating, and Updating this Plan

The Department will reevaluate the Language Access Plan on a regular basis, but no less than every two years. The County will monitor and evaluate the effectiveness of this plan and make updates accordingly. Each reevaluation should examine all Plan components and assess the following:

- How many LEP persons were encountered and what languages?
- Were their needs met?
- What is the current LEP population in Montgomery County?
- Has there been a change in the types of languages where translation services are needed?
- Is there still a need for continued language assistance for previously identified County programs and are there other programs that should be included?
- Has the Department's available resources, technology, staff, and financial costs changed?
- Has the Department fulfilled the goals of the LAP?
- Are identified sources of assistance still available and viable?

The Department will maintain data annually, for the fiscal year ending on September 30th of each year, and may adopt alternate methods to document LEP encounters provided such methods comply with this LAP, as amended.

XI. Dissemination of Montgomery County Language Access Plan

The Department will post the Language Access Plan on its website. Copies of the LAP will be provided to any person or agency requesting a copy. Any questions or comments regarding this LAP should be directed to the Department at:

Name/designee: Rebecca Ansley
Title: Director
Department: Grants and Community Development
Address: 501 N. Thompson, Suite 200
Phone: (936) 538 8060
Email: cdbg.mctx@mctx.org

XII. Complaints

Title VI of the Civil Rights Act of 1964 as amended prohibits discrimination based on race, color, or national origin, among other protected categories, under any program or activity that receives federal financial assistance. As a recipient of federal financial assistance, Montgomery County, Texas has in place a Title VI complaint procedure: any person who believes that he or she, individually, as a member of any specific protected class, has been subjected to discrimination prohibited by Title VI of the Civil Rights Act of 1964, the American with Disabilities Act of 1990, Section 504 of the Vocational Rehabilitation Act of 1973 and/or the Civil Rights Restoration Act of 1987, as amended, may file a complaint with Montgomery County. A complaint may also be filed by a representative on behalf of such a person. All Title VI complaints will be referred to Montgomery County's Title VI Coordinator/Human Resources Director at 501 N. Thompson, Suite 400, Conroe, TX 77301 for review and action, as appropriate.

To request additional information on Montgomery County's nondiscrimination obligations in relation to this LAP, an individual may submit a written request to the Director, Grants and Community Development as described under Section XI above.

To the extent required by applicable laws and federal guidance, Department will also take all appropriate steps to require that County's federal grant sub-recipients/contractors, and contracts involving such, comply with the aforementioned Title VI and associated requirements.

To the extent required, this LAP shall be construed to effectuate any later amendments/updates to applicable laws and regulations, whether or not formalized herein, so as to maintain Departmental compliance.

Approved and made effective this 13th **day of** June **2023,**

Mark J. Keough, County Judge
Montgomery County, Texas

Approved by Grants and Community Development

By: Rebecca Ansley, Director

Approved by Human Resources

By: Dodi Shaw, Director

APPENDIX A

Montgomery County Grants & Community Development
Limited English Proficiency (LEP) Complaint Form

Title VI of the Civil Rights Act of 1964 as amended prohibits discrimination based on race, color, or national origin under any program or activity that receives federal financial assistance. As a recipient of federal financial assistance, Montgomery County, Texas has in place a Title VI complaint procedure: any person who believes that he or she, individually, as a member of any specific protected class, has been subjected to discrimination prohibited by Title VI of the Civil Rights Act of 1964, the American with Disabilities Act of 1990, Section 504 of the Vocational Rehabilitation Act of 1973 and/or the Civil Rights Restoration Act of 1987, as amended, may file a complaint with Montgomery County.

If you feel you have not been provided meaningful access to any programs, service and/or activity, please complete this form and return it to:

Montgomery County's Title VI Coordinator/Human Resources Director
501 N. Thompson, Ste 400
Conroe, TX 77301

I. Complainant Information:

Name: _____

Contact or Home Address: _____

City/State/Zip: _____

Home Telephone: _____ Cell Phone: _____

Primary Language: _____

II. Complainant Description:

Name or Department and/or Program/Service/Activity: _____

_____

Name of individual(s) involved if known: _____

Address where incident occurred: _____

Date of Incident: _____

Describe how you were not provided meaningful Access (Be specific and attach additional pages if necessary):

_____

_____

_____

Signature: _____ Date: _____

Montgomery County is committed to improving Access to its programs, services, and activities for persons who are Limited English Proficient; the County will respond to this complaint within thirty (30) days.

Subvenciones del Condado de Montgomery y Desarrollo Comunitario
Formulario de queja de dominio limitado del inglés (LEP)

El Título VI de la Ley de Derechos Civiles de 1964, según enmendada, prohíbe la discriminación por motivos de raza, color u origen nacional bajo cualquier programa o actividad que reciba asistencia financiera federal. Como beneficiario de asistencia financiera federal, el Condado de Montgomery, Texas, ha implementado un procedimiento de queja del Título VI: cualquier persona que crea que él o ella, individualmente, como miembro de cualquier clase protegida específica, ha sido objeto de discriminación prohibida por el Título VI de la Ley de Derechos Civiles de 1964, la Ley de Estadounidenses con Discapacidades de 1990, La Sección 504 de la Ley de Rehabilitación Vocacional de 1973 y / o la Ley de Restauración de Derechos Civiles de 1987, según enmendada, pueden presentar una queja ante el Condado de Montgomery.

Si cree que no se le ha proporcionado acceso significativo a ningún programa, servicio y / o actividad, por favor de completar este formulario y envíelo a:

Coordinador del Título VI del Condado de Montgomery/Director de Recursos Humanos
501 N. Thompson, Ste 400
Conroe, TX 77301

I. Información del reclamante:

Nombre: _____

Contacto o domicilio: _____

Ciudad/Estado/Código postal: _____

Teléfono de casa: _____ Teléfono celular: _____

Idioma principal: _____

II. Descripción del demandante:

Nombre o Departamento y/o Programa/Servicio/Actividad: _____

_____

Nombre de la(s) persona(s) involucrada(s) si se sabe: _____

Dirección donde ocurrió el incidente: _____

Fecha del incidente: _____

Describa como no se le proporciono acceso significativo (sea especifico y adjunte paginas adicionales si es necesario):

_____

_____

_____

Firma: _____ Fecha: _____

El Condado de Montgomery se compromete a mejorar el acceso a sus programas, servicios y actividades para las personas que tienen un dominio del inglés; el Condado responderá a esta queja dentro de los treinta (30) días.

APPENDIX B

Employee Language Access Report

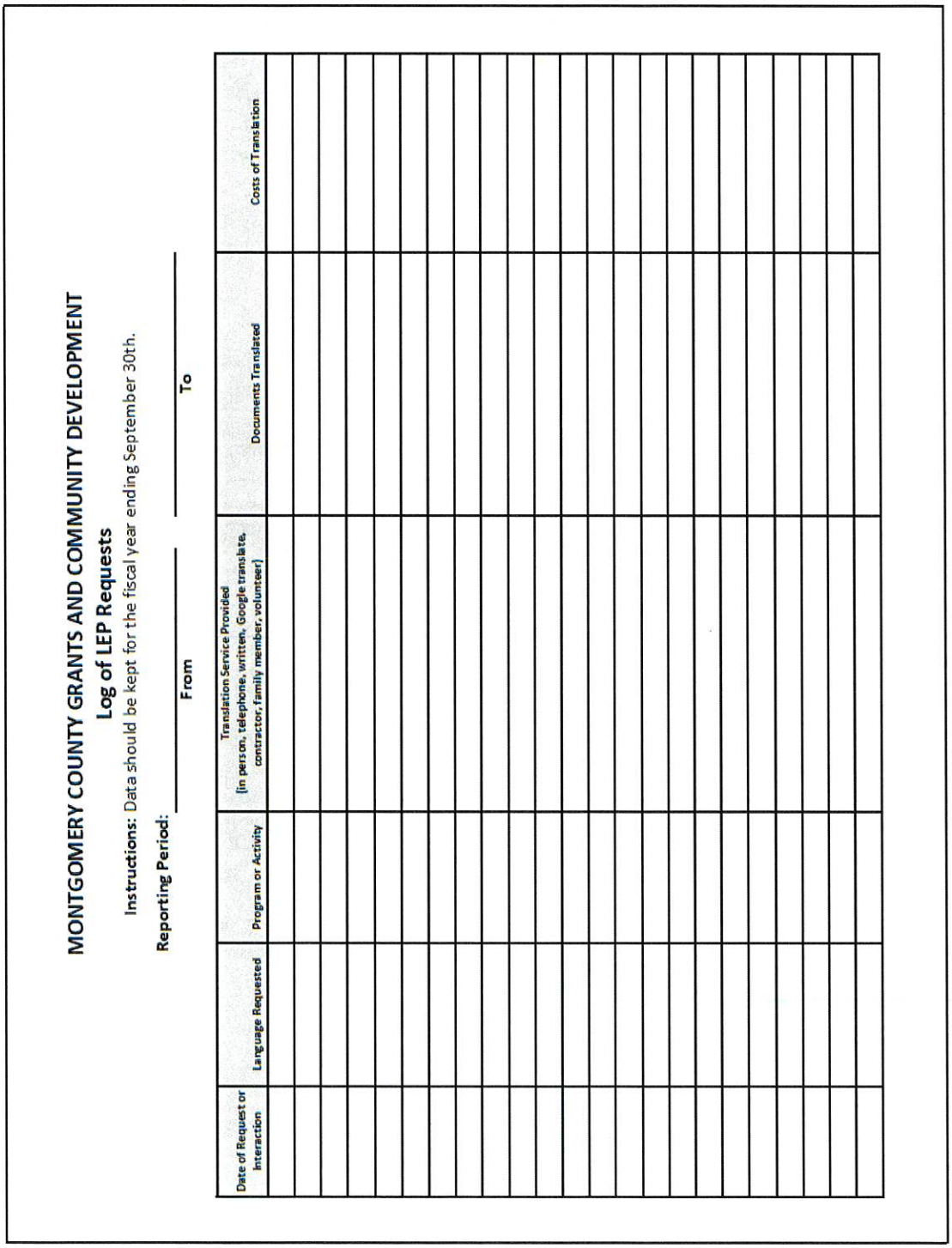
MONTGOMERY COUNTY GRANTS & COMMUNITY DEVELOPMENT
EMPLOYEE LANGUAGE REPORT

The following is a list of employees who possess language skills other than English and who are willing to assist a Limited English Proficiency (LEP) individual who requires language assistance.

EMPLOYEE NAME	LANGUAGE	SPEAKING			READING			WRITING			UNDERSTANDING		
		BASIC	ADVANCED	NATIVE	BASIC	ADVANCED	NATIVE	BASIC	ADVANCED	NATIVE	BASIC	ADVANCED	NATIVE
		☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

APPENDIX C

Log of LEP Requests



MONTGOMERY COUNTY GRANTS AND COMMUNITY DEVELOPMENT

Log of LEP Requests

Instructions: Data should be kept for the fiscal year ending September 30th.

Reporting Period: _____ **From** _____ **To**

Date of Request or Interaction	Language Requested	Program or Activity	Translation Service Provided (in person, telephone, written, Google translate, contractor, family member, volunteer)	Documents Translated	Costs of Translation

APPENDIX D

LEP Interpreter Services Poster

Montgomery County Community DEVELOPMENT

English:

Interpreter services may be available.

Please ask someone at the front desk.

Español:

El servicio de interpretación está disponible.

Favor de preguntar a alguien en la recepción.

Montgomery County Grants and Community Development

Lead Based Paint Policy and Procedures

Updated 06/2022

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

In accordance with Federal Regulation, with regard to lead-based paint, all homes built before January, 1 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 Construction Administrator 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.

Montgomery County Grants and Community Development

Monitoring Plan

Updated 12/2015

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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.

Down payment 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.

Montgomery County Grants and Community Development

Red Flag Policy

Updated 7/12/19

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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.

Montgomery County Grants and Community Development

Section 3 Policy and Procedure

Updated 7/2019

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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 extend 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 [Non-Construction 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.

S**ection 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

_____ (Corporate Seal) Authorizing Name and Signature

Attested by: _____

HUD (SECTION 3)
RESIDENT EMPLOYMENT OPPORTUNITY DATA

Eligibility for Preference A section 3 resident seeking the preference in employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

Certification for Resident Seeking Section 3 Preference in Employment

I, _____, am a legal resident of Montgomery County, Texas and meet the income eligibility guidelines for a low-or very low-income person as published annually by HUD.

My permanent address is:

_____

_____

I have attached the following documentation as evidence of my status:

Copy of receipt of public assistance
Copy of Evidence of participation in a public assistance program
Other evidence

Signature: _____

Print Name: _____ Date: _____

Montgomery County Community Development
Section 3 Compliance Report

General Information

Contractor:	**Contract Amount: $**
Date:	**Name of Person Completing Form:**

Project Information

1. Does this contract exceed $100,000, including subcontractors?
Section 3 applies to contractors with contracts or subcontracts exceeding $100,000. (Complete remainder of form with respect to your company and all subcontractors)
No. Section 3 applies to Contractor only. (Complete remainder of form with respect to your company)
2. Indicate the efforts made to direct employment opportunities, to the greatest extent feasible, toward low and very low income persons, particularly those who are recipients of government assistance for housing (check all that apply):
□ 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.
□ Participated in a HUD program or other program, which promotes the training or employment of Section 3 residents.
□ 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
□ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
□ 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: _____**

Community Development Block Grant
Subrecipient Guidebook

Updated 6/2024

Montgomery County Community Development
501 North Thompsons, Suite 200
Conroe, TX 77301
936-538-8060

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INTRODUCTION

Montgomery County receives a yearly entitlement allocation through the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG). The County, with the help of its Subrecipients, uses those funds to improve housing, provide transitional homes for the homeless, build multi-purpose centers, road improvements, and to provide public services and economic opportunities in the low-income areas of Montgomery County. The Office of Community Development is committed to helping its Subrecipients maximize the use of CDBG funds and ensuring compliance with CDBG program regulations and related federal statutes.

As a Subrecipient, you are agreeing not only to provide specified services, but also to comply with the CDBG program requirements and responsibilities established by the U.S. Department of Housing and Urban Development (HUD) and Montgomery County, Texas. This guidebook has been developed to help facilitate your understanding of these requirements and to provide information you will need to successfully execute your CDBG award. The principles presented in this manual represent the minimum level of procedures that must be the foundation of your accounting, internal control, and financial reporting systems, as required by federal regulations and County policies.

This manual is meant to assist your agency in complying with the provisions of the agreement, but does not replace the provision outlined in the agreement. This manual is intended as a reference tool for agencies operating the CDBG program and should not be construed as a substitute for regulations, FAQs, or guidance issued by HUD. All agencies must familiarize themselves with the ESG regulations, FAQs, and guidance released by HUD to ensure they are meeting all ESG Program requirements.

In the event that new procedures or polices are implemented during the contract period, Community Development staff will provide timely notification and technical assistance. Montgomery County reserves the right to revise this manual at any time, for any reason to ensure accurate information is provided.

GENERAL CONTACT INFORMATION

Mailing Address: 501 North Thompson, Suite 200
Conroe, TX 77301

Phone: 936-538-8060

Email: cdbg.mctx@mctx.org

STAFF CONTACT INFORMATION

Staff Contacts:

Rebecca Ansley, Director
936-538-5594
Rebecca.Ansley@mctx.org

Amanda Vance, Assistant Director
936-538-5698
Amanda.Vance@mctx.org

Rosa Lozoya, Finance Coordinator
936-442-7754
Rosa.Lozoya@mctx.org

Sonia Hackett, Program Coordinator
936-442-7759
Sonia.Hackett@mctx.org

PURPOSE AND OVERVIEW

This manual provides Sub-recipients with information regarding the process, procedures, and programs necessary to carry out the administration of programs funded by the Community Development Block Grant (CDBG) program. The CDBG program is funded and regulated at the federal level by the U.S. Department of Housing and Urban Development (HUD) and administered locally by Montgomery County, Texas. The CDBG Program is authorized under Title I of the Housing and Community Development Act of 1974. The regulations implementing the CDBG Program are located in 24 CFR, Part 570.

CDBG Program

Montgomery County objectives for this program are in accordance with HUD's National Objectives which seeks the development of viable urban community through the implementation of the following goals, principally for the benefit of low-and moderate-income (LMI) persons:

Providing decent housing means helping homeless persons obtain appropriate housing and assisting those at risk of homelessness; preserving the affordable housing stock; increasing availability of permanent housing that is affordable to low-and moderate income persons without discrimination; and increasing the supply of supportive housing.

Providing a suitable living environment entails improving the safety and livability of neighborhoods; increasing access to quality facilities and services; and reducing the isolation of income groups within an area through de-concentration of low-income housing opportunities.

Expanding economic opportunities involves creating jobs that are accessible to low and moderate income person; making mortgage financing available for low-and-moderate income persons at reasonable rates; providing access to credit for development activities that promote long-term economic and social viability of the community; and empowering low-income persons to achieve self-sufficiency to reduce generational poverty in federally-assisted and public housing.

Subrecipients

Montgomery County as an entitlement county is the "recipient" of annual CDBG funding. Montgomery County establishes a Notice of Funds Available (NOFA) process annually and invites applicants from qualified entities to apply for funding under a Request for Applications (RFA). The primary objective is to fund projects and activities that are consistent with locally developed CDBG Program priorities and to address the federal/local Consolidated Plan objectives. Those entities awarded funding under this agreement are defined by HUD as "subrecipients".

A written agreement must be entered in between the County and all entities receiving CDBG funds. The written agreement forms the basis for the contractual obligation between the parties to fund and implement the activity or program. The agreement will denote responsibilities attributable to each party, and shall outline in exact measure the scope of services to be provided, methods of accountability, and a schedule for payment. Execution of the agreement binds the Subrecipient for a specified period of time, and may be revised upon written authorization from the County. Compliance with the stipulations in this guidebook is a requirement of the written agreement.

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 <u>not to exceed three consecutive years.</u> 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. 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.

7. 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.

8. 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.

CDBG OBJECTIVES

The primary emphasis of the CDBG grant program is to ensure that each activity meets and complies with one of HUD'S three broad national objectives for the program year:

- Benefit low-and moderate- income persons,
- Aid in the prevention or elimination of slums or blight, and/or
- Fulfill community development needs that have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community (referred to as urgent need).

Benefit to Low-and Moderate-Income Households and/or Individuals (LMI)

This national objective stipulates that Subrecipient's clients who benefit from CDBG funds must have low and moderate incomes as defined by HUD (Exhibit A). In order to meet this benefit test, each Subrecipient must adhere to the following:

1. Every Subrecipient must serve persons of low and moderate income. Low-moderate income is defined as a household that does not exceed 80 percent of HUD Income Limits. HUD updates these limits on an annual basis. It is the Subrecipient's responsibility to adhere to all new guidelines from the date they receive them. To receive the most up to date income guidelines, go to www.hud.gov.

2. Regardless of other income limits, requirements, guidelines and regulations that may govern a Subrecipient's activities, for the purpose of Montgomery County's CDBG program, all Subrecipients must ensure that the income of the clients they serve does not exceed HUD's Annual Income Limits.

Low-and Moderate-Income Limited Clientele (LMC)- A limited clientele activity is an activity that benefits a specific group of people, rather than all the residents in a particular area. The limited clientele activities addressed in this section are intended to benefit at least 51 percent low-and moderate-income individuals.

To qualify under this category, a limited clientele activity must meet one of the following tests:

- Exclusively benefit a clientele who are generally presumed by HUD to be principally L/M income persons, including:
  - Abused children,
  - Battered spouses,
  - Elderly persons,
  - Severely disabled adults,
  - Homeless persons,
  - Illiterate adults,

- Persons living with AIDS,
- Migrant farm workers

- Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the L/M income limit (Reference: 570.208(a)(2)(i)(B) and (C)).
- Be of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be L/M income persons (eg: a day center serving residents of a public housing complex) (Reference: 570.208(a)(2)(i)(D))
- Be an activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults with severe disability, provided it is restricted, to the extent practicable, to the removal of such barriers by assisting:

  1. The reconstruction of a public facility or improvement, or portion thereof, that does not qualify under the L/M income area benefit;
  2. The rehabilitation of the common areas of a residential structure that contains more than one dwelling unit and that does not qualify under L/M income housing criteria. (Reference: 570.208(a)(2)(ii))

Limited Clientele Documentation Requirements- For each Limited Clientele Benefit activity, the Subrecipient will maintain the following income verification records:

- Documentation establishing that the facility or service is designed for the particular needs of or used exclusively for the above mentioned HUD presumed L/M income persons; or
- Documentation describing how the nature and, if applicable, the location of the facility or services establishes that it is used predominantly by low and moderate income persons; or
- Data showing the size and annual income of the family of each person receiving the benefit; or
- Data showing that barrier to mobility or accessibility have been removed and how the barrier removal was restricted to the extent feasible to one of the particular cases authorized under this category; or
- Documentation showing that the activity qualifies under the special conditions regarding job services where less than 51 percent of the persons benefiting are L/M income persons. (Reference: 570.506(b)(3))

In addition, in the case of non-presumed LMC benefit, income verification for each household will be supported by the applicable "Income Calculation Form" based on the type of used income verification method. Income verification under 570.3(1)(i-iii) include:

- ***Annual Income*** as defined under the Section 8 Housing Assistance Payments program at 24 CFR 813.106.

- ***Adjusted Gross Income (AGI)*** as defined for purposes of reporting under Internal Revenue Services (IRS) form 1040 for individual Federal annual income tax purposes.

A copy of the applicable income verification forms will be completed and kept by the subrecipient.

Low to Moderate-Income Area Benefit (LMA)- The area benefit category is the most used national objective for activities that benefit a residential neighborhood. An area benefit activity is one that benefits all residents in a particular area, where at least 51 percent of the residents are LMI persons.

Examples of area benefit activities may include the following when they are located in a predominately LMI neighborhood:

- Acquisition of land to be used as a neighborhood park;
- Construction of a health clinic;
- Improvements to public infrastructure like the installation of gutters and sidewalks, and
- Development of a community center.

The activities listed above benefit all LMI residents in a service area and thus are the type of activities that may qualify under the LMI area benefit category for the purposes of meeting a national objective.

Grantees are responsible for determining the service area of an activity. The factors that should be considered in making a determination regarding the service area include:

- ***The nature of the activity:***

In general, the size and the equipment associated with the activity should be taken into consideration. A small park with a limited number of slides and benches would not be expected to serve a large neighborhood. In the same way, a larger park that can accommodate a considerable number of people would not be expected to serve just the immediately adjacent properties.

- ***The location of the activity:***

In general, the immediate area surrounding a facility or improvement is expected to be included in the service area. Additionally, when a facility is located near the boundary of a particular neighborhood, its service area could likely include portions of the adjacent neighborhood as well as the one in which it is located.

- ***Accessibility issues:***

Geographic barriers can separate and preclude persons residing in a nearby area from taking

advantage of a facility or improvement. Other limits to accessibility can include access fees, language barriers, time, or duration that an activity isavailable, access to transportation and parking, etc.

- ***The availability of comparable activities:***

Comparable activities within the service area should be considered so that the service area does not overlap with the service areaof another comparable activity.

- ***Boundaries for facilities and public services:***

The service area for some public facilities and services are determined based on specified and established boundaries or districts. Examples of such services and facilities are Census Tracts and Census Blocks.

An area is considered to meet the test of being LMI if there is a sufficiently large percentage(51 percent) of LMI persons residing in the service area.

Finally, the service area of the activity must be primarily residential, and the activity must meet the identified needs of LMI persons. This requirement does not apply to the locationof the activity itself but rather the service area of the activity. As such, it does not mean that activities located in commercial districts cannot be qualified under the LMI area benefit category on the virtue of their geography.

The primarily residential test is applied to the service area of the activity. For example, activities that support the infrastructure of a commercial district composed of institutionsand firms that serve a national and international clientele will not qualify under LMI area benefit.

However, if the commercial district is composed of stores and businesses that serve local customers such that the service area boundaries of the commercial district is around a primarily residential area with the requisite percentage of LMI residents, the activity qualifies under the LMI area benefit category.

There are activities and facilities that are in a service area but are designed to meet special needs. These activities cannot be qualified under this category. For example, a senior center would qualify under the LMI limited clientele category and not the LMI area benefit category.

Prevention and/or Elimination of Slum and Blight

The focus of activities under this national objective is a change in the physical environment of a deteriorating area. This contrasts with the LMI benefit national objective where the goal is to ensure that funded activities benefit LMI persons.

This difference in focus has an impact on the information that is required to assess the qualifications of an activity. Under the LMI benefit national objective, determining the numberof LMI persons that actually or could potentially benefit from an activity is central to qualifying the activity. Under the elimination of slums and blight national objective, determining the extent of and physical conditions that contribute to blight is central to qualifying an activity.

Three categories qualify activities under this national objective:

1. Prevent or eliminate slums and blight on an area basis;
2. Prevent or eliminate slum and blight on a spot basis; or
3. Be in an urban renewal area.

Addressing Other Community Development Needs Having a Particular Urgency

Use of the urgent need national objective category is rare. It is only for activities that alleviate emergency conditions. Examples include:

- Acquisition of property located in a flood plain severely damaged by recent flooding;
- Public facility improvements like the reconstruction of a publicly owned hospital severely damaged by a tornado;
- Demolition of structures that are severely damaged by a major earthquake;
- Public services like additional police protection to prevent looting in an area damaged bya recent hurricane;
- Interim assistance such as emergency treatment of health problems caused by a flood; and special economic development assistance to a grocery store damaged by an earthquake.
- Urgent need qualified activities must meet the following criteria:
  -The existing conditions must pose a serious and immediate threat to the health or welfareof the community;
  -The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
  -The grantee is unable to finance the activity on its own; and
  -Other sources of funding are **not** available.

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,
- 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.

GRANT AGREEMENTS

Your Subrecipient Agreement with the County includes a comprehensive statement of the goals, objectives, and measurable outcomes of the specific services or project to be provided by your agency. In addition, the Subrecipient Agreement specifies the reports and documentation required for verification of compliance. This manual is meant to assist your agency in complying with the provisions of the Subrecipient Agreement, but does not replace the provisions outlined in the Subrecipient Agreement. Should there be any disagreement between your Agreement and this manual, the provisions contained within the Subrecipient Agreement will take precedence. Unless specified otherwise, the Commissioners' Court shall have the authority to represent the County regarding the terms and conditions of your agreement.

Agreement Provisions

Subrecipients compliance with applicable requirements is usually covered through a written agreement. The following general requirements are applicable:

- All CDBG requirements are applicable to subrecipients.
- Procurement by the subrecipient must follow the open and competitive requirements of the federal procurement code.
- Uniform administrative requirements in OMB Circular A-87 and A-133 must be met.
- Other Program Requirements: The Agreement must also specify that the subrecipient will carry out its activities in compliance with the requirements of Subpart K of 24 CFR 570, except, however, that the subrecipient does not assume the grantee's environmental responsibilities or the responsibility for initiating the environmental review process under 24 CFR Part 52.

Executing the Subrecipient Agreement

The CDBG Finance Coordinator will review the proposed agreement with the subrecipient agencies. The County will transmit three copies of the agreement to the subrecipient. It is the subrecipient's responsibility to review the agreement and to input any required information with accuracy. The subrecipient signs and attests all copies of the agreement. **All copies with original signatures must be returned to the County.** After the County executes the contract, the CDBG Finance Coordinator will send one copy to the subrecipient who should retain the agreement in the file.

Agreement Amendments

In case of any changes to the scope of work, budget, timeframe (including extensions), etc. the subrecipient is required to inform the County. Community Development staff will determine if the substantial amendment is necessary and will review the request. The subrecipient will be informed about the determination, but no changes should be made to the project before the subrecipient's amendment request is approved.

Agreement Extensions

All projects/activities must be completed, and funds expended by September 30 of the program year.

Unspent funds cannot be carried forward and are forfeited without an approved extension from Montgomery County.

Requests and justification for a time extension to your contract must be submitted to theCommunity Development Director no later than September 1.

As a minimum, the request for contract extension must include the following elements:

1. amount allocated;
2. amount reimbursed;
3. amount remaining;
4. reason/justification for request; and
5. amount of extension time requested to fully expend the remaining funds.

FINANCIAL MANAGEMENT

Maintenance of adequate documentation for CDBG funded activities is critical to the effectiveness and overall performance of your program. Financial management and reporting requirements for CDBG Subrecipients are designed to ensure that Subrecipients' financial management systems meet the following minimum standards:

- Provides effective control over the accountability for all funds, property, and other assets,
- Ensures "reasonableness, allowability, and allocability" of costs and verify that expenses have not violated any federal restriction or prohibitions,
- Permits the accurate, complete, and timely disclosure of financial results in accordance with reporting requirements of the grantee or HUD, and
- Minimizes the time elapsed between transfer of funds from the U.S. Treasury and disbursement to 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 systemof 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 financialtransactions 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:

  1. authorization to execute a transaction;
  2. recording the transaction; and
  3. 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

Sub-recipients must have accounting records that adequately identify the sources and application of CDBG funds. Simply stated, your organization'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 financialtransactions 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.

For CDBG funds, records must contain reliable and up-to-date information. The information should at least include:

- Federal grants received by the sub-recipient.
- Current authorizations and obligations of CDBG funds.
- Unobligated balances (funds remaining available for distribution).
- Assets and liabilities.
- Program Income (if any).
- Actual outlays or expenditures, with a breakdown of a) the grant program the funds were derived from and b) "eligible activity" which clearly indicate use of program funds are for eligible activities

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

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. Montgomery County rarely uses 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 withthe 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. Community Development 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 salesprocedures 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.

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 debarredor 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 contact 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.

GENERAL FILE MANAGEMENT

Record Keeping

The federal government requires that all sub-recipients keep records for all CDBG expenditures and beneficiaries. The general CDBG standard for record keeping is that records must be accurate, complete, and orderly. If the expenditures incurred with federal funds are not adequately documents, the agreement with the County might be terminated. Your organization is required to establish and maintain at least three major categories of records:

Administrative records

Files and records that apply to the overall administration of your CDBG activities. They include, but are not limited to, the following:

a. Project proposal (application)
b. Project agreement (Contract) with the County and any amendments
c. Environmental Review Record and Notice to Proceed
d. Quarterly Reports
e. Equal Employment Opportunity data
f. Project Correspondences
g. Legal files
h. Record of monitoring visits

Financial records

Files and records that apply to the financial management of the CDBG activities. They include, but are not limited to, the following:

a. Chart of accounts
b. Accounting procedures manual
c. Accounting journals and ledgers
d. Payroll timesheets and activity logs along with check histories
e. Procurement documents such as contracts, bid advertisements, change orders, and contracts
f. Purchase orders
g. Invoices
h. Cancelled checks
i. Bank reconciliations
j. Copies of reimbursement requests sent to the County
k. Audit records
l. Any financial correspondence

Programmatic Files

These files document the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties. They include, but are not limited to, the following:

a. Progress reports
b. A full description of each activity assisted with CDBG funds, including location where activities occur
c. Program measurable goals and expectations that meet one of the National Objectives for CDBG
d. Documentation showing that all necessary determinations required for the eligibility of certain activities was obtained
e. Document compliance with the program rules regarding any change of use of real property acquired or improved with CDBG assistance
f. Demonstrate compliance with the program requirements regarding acquisition, displacement, relocation, and replacement housing
g. Detail the fair housing activities and equal opportunity compliance

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 structureand 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

Records Retention

All CDBG files must be maintained for a minimum of three 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.

Access to Records

HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access Subrecipient agency program records. All CDBG grantees are required to provide citizens with reasonable access to records regarding the current funded programs and past, consistent with applicable State and local laws regarding privacy and confidentiality.

All Subrecipient records pertaining to the CDBG grant award shall be made available to Grantee, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

REPORTING REQUIREMENTS

All written reports and forms shall be submitted monthly to the Montgomery County Community Development Department no later than the 15th day of the month. Subrecipients may submit reports electronically via email or they may provide physical documents to the following:

Email: cdbg.mctx@mctx.org

or

501 North Thompson, Suite 200
Conroe, TX 77301

Said reports include, but are not limited to:

1. Monthly Financial Status & Fund Request
2. Monthly Progress Report
3. Monthly Employee Time & Activity Report (if applicable)
4. Annual Performance Report

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, forboth 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

In addition, a Subrecipient's accounting an record-keeping system must be able to support the data in (a) its drawdown requests, (b) its other financial and progress reports, and (c) any submissions necessary for the grantee's annual report to HUD.

Montgomery County ensures that Subrecipient activities are carried out in compliance with all applicable program requirements and that the program goals are on track with the objectives outlined in the Subrecipient agreement. Accurate record keeping is crucial to the successful management of CDBG funded programs. Insufficient documentation can lead to delayed payments or monitoring findings, both of which can be difficult to resolve if records are missing, inadequate or inaccurate.

Programmatic Reporting

The Subrecipient is required to collect and report the following data:

- Total number of clients served
- Total number of clients who are female heads of households
- Total number of clients who are elderly (62+ years of age)
- Client Race
- Client income level (based upon current HUD income guidelines
- Presumed Benefit- in the case of projects where benefitting clients are designated as "presumed benefit", it is not necessary for subrecipients to collect income date. However, the subrecipient client files must contain documentation supporting client eligibility.

Audit Standards

Non-profit organizations that expend $750,000.00 or more in a year in Federal awards (this includes all federal funds, not just from HUD) must have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR 200.501.

Non-profit organizations that expend less than $750,000.00 in a year in Federal awards are not required to have an A-133 audit for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the Government Accountability Office (GAO).

While the agency may not qualify for an A-133 Audit, it is extremely helpful if financial statements contain a grants reporting summary page, which lists all the grants and amounts the agency received during the fiscal year by Catalog of Federal Domestic Assistance (CFDA) number and the amount. Providing this information with the year end audit or financial statement, allows the County to determine if the agency conducted the proper type of audit based on the funds expended.

BUDGET AND ELIGIBLE EXPENDITURES

Budget Categories

Reimbursement will only be provided for allowable costs as approved by the County and must be directly related to the Grant. Reimbursements should be submitted on the basis outlined in the agreement between the County and Subrecipient. Expenditures that do not apply to the budgeted categories or that do not have a budget will not be reimbursed.

There are typically three cost categories within a general budget:

Personnel Costs

Personnel - Costs associated with the positions identified on the Staffing Plan. Costs should reflect the actual amount of time each position spends on the program.

*Federal funds cannot be used to pay for 100% of an Executive Director's salary. Please ensure that when receiving multiple funding sources this threshold is not exceeded. IRS employee rules must be applied before determining an employee's status or non-status. People who work for the agency are employees, people who provide training, consulting or are officers of the non-profit are not and cannot be employees of the agency. This is considered a conflict of interest. Employees must have all the pertinent federal deductions and taxes paid.

Fringe Benefits - Eligible payroll-related costs of health insurance, retirement fund contributions, FICA, Worker's Compensation, and other payments made on the behalf of the employee.

NOTE: Non-profit agencies are exempt from paying federal unemployment tax, although State unemployment tax applies. Non-profit agencies will not be reimbursed for any federal unemployment taxes you pay.

General Non-Personnel Costs

Supplies - Consumable commodities that have a useful life of one year or less and which are valued under $500, except for computer equipment, which must be inventoried and accounted for separately.

Direct Client Services – Work Cards, Sheriff Cards, rent, bus tokens, food, utilities, child care, and other program costs paid on behalf of clients.

Communication - Costs of telephone, telephone installation, leasing of phone equipment, and postage.

Printing -Cost of copying and printing, whether done in-house or through an outside printer; supplies such as paper or fluids for copy machine owned or leased for program use.

Utilities - Costs associated with gas, electricity, water, and trash removal.

Rent- Rental charges for real property; office space for program.

Insurance - Insurance-related costs required for the operation of the program.

Miscellaneous - For eligible expenses not noted above. Should not exceed 1% of CDBG grant.

Food/snacks – Eligible only for clients, and must be an integral part of the program; for example, groceries purchased for the Meals on Wheels program. Please contact the Financial Coordinator for guidance.

No costs which may be considered as entertainment in nature will be reimbursed with CDBG funds. Food (except when eligible under circumstances described above), Awards ceremonies, trainings, banquets, holiday events, trophies, plaques, amusement park field trips, etc. are not an allowable expense. Please contact the assigned Financial Coordinator for further guidance on this issue prior to planning or expending CDBG funds.

Specific Non-Personnel Costs

Equipment Rental - Costs for the rental of equipment, which is essential for the operation of the program.

Equipment Purchase - Purchase of equipment essential for the operation of the program in those instances where it is more cost effective to purchase equipment rather than rent it. Includes any item with a useful life of more than one year and a cost greater than $500. Purchase of equipment requires prior County approval.

Contracted Services - Professional and technical services not performed by staff.

Audit Fees – County CDBG funds may pay for audits, but only to the extent of the total County federal funds in the budget. For example, if the audit cost is $5,000, and only 20% of the program's overall budget is from the County, only $1,000, or 20% of the bill will be allowed. Bookkeeping fees or payroll services are eligible expenses.

NOTE: Non-profit agencies should be tax exempt and agencies will not be reimbursed for any federal or state taxes you pay on items.

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 ofthe 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.

Eligible Costs

To be eligible for payment, costs must be in compliance with 2 CFR Part 200 and with the principles set forth below:

a. Be necessary and reasonable for the proper and efficient performance of the contract and in accordance with the approved budget. The County shall have final authority to determine in good faith whether expenditure is "necessary and reasonable".

b. Conform to the limitations within the agreement, this manual and to any governing statutes, regulations and ordinances.

c. Be fully documented and determined in accordance with approved accounting procedures.

d. Not be included as a cost or used to meet cost sharing or matching requirements of any other funding source in either the current or a prior period.

e. Be the net amount of all applicable credits such as purchase discounts, rebates, sales or other income or refunds.

f. Document all costs by maintaining complete and accurate records of all financial transactions, including but not limited to: contracts, invoices, timecards, cash receipts, vouchers, canceled checks, bank statements and/or other official documentation evidencing in proper detail the nature and propriety of all charges.

g. Submit to the County, within fifteen (15) working days of the end of the preceding month, requests for reimbursement together with a summary of expenses on a form approved by the County supporting documentation.

h. Submit to the County at such times and in such forms as the County may require, statements, records, reports, data, and information pertaining to matters covered by the agreement or contract.

Ineligible Costs

a. Food: Completely ineligible except when it is an integral part of the program such as purchasing groceries to be used for the Meals on Wheels program. Please contact your assigned Program Compliance Specialist for guidance.
b. Bad debts: any losses arising from uncollectable accounts and other claims, and related costs.
c. Contingencies: contributions to a contingency reserve or any similar provisions for unforeseen events.
d. Contributions and donations.
e. Sales tax: Sales tax charged on any expenditures.
f. Entertainment: costs of amusements, social activities and incidental costs such as meals, beverages, lodging and gratuities relating to entertainment, or any political or lobbying activity.
g. Fines and penalties: costs resulting from violations of or failure to comply with Federal, State, and local laws and regulations.
h. Interest and other financial costs: interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith.
i. Membership expenses: costs of membership in any organization, which devotes a substantial part of its activities to influencing legislation.
j. Non-competitive subcontracts: payments under a subcontract not obtained under competitive bidding procedure, unless the County specifically waives the requirement for such a procedure.

Limitation of Expenditures

- The Subrecipient shall not expend funds provided under the contract prior to the commencement of the contract or subsequent to the suspension or termination of the contract.
- Expenditures shall be made in conformance with the approved budget and shall meet the criteria established for allowable costs.
- Expenditures shall be in direct support of the program that is the subject of the contract.
- The Subrecipient shall notify the Community Development Department in writing of any expenditure for items jointly used for any other program(s) and the expenditures shall be apportioned according to the percentage of direct use in the program.

Budget Revisions

Modifications to approved budget line items are allowable, but must be directly related to changes in program services and activities and may not increase the budget total.

To implement a budget modification the Subrecipient must submit a written request, which identifies the reasons for the adjustment. The request must be specific as to which line items are to be increased and which are to be reduced and must be specifically approved by the

County in writing as a change to the written agreement or contract between the County and the Subrecipient.

The Community Development Department has the authority to grant or deny requests for budget revisions.

PROGRAM INCOME

Program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

- Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
- Proceeds from the disposition of equipment purchased with CDBG funds;
- Gross income from the use or rental of real of personal property acquired by Subrecipient with CDBG funds, less costs incidental to generation of the income
- Gross income from the use or rental of real property, owned by Subrecipient, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
- Payment of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
- Interest earned on program income pending its disposition.

If applicable, program income shall be recorded separately and returned to Montgomery County for disposition. Upon approval by the County, income from the Project may be retained by the Subrecipient provided that written notification is given by the Community Development Department and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

REIMBURSEMENT PROCEDURES

CDBG funds are paid to agencies on a ***reimbursement*** basis. Therefore, it is extremely important to verify the eligibility of an expense prior to expending your funds. Accuracy of submittals is important as errors slow down the process and delay payment.

When submitting a large payment request, please highlight the portions requested to be paid by the County in addition to utilizing either an excel spreadsheet or adding machine tape.

All source documentation must be included with the submittal of the Monthly Reimbursement Request (no later than the 15th of each month).

Reimbursement packets will be reviewed and approved by the Financial Coordinator and sent to the County Auditor to process for payment. Once the County Auditor has processed the reimbursement for payment it will be submitted to the Commissioners' Court for approval. Upon Commissioners' Court approval, the Treasurer's office will mail out all checks.

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:

Bookkeeping Journals and Ledgers

Provide accurate accounting for cash receipts, cash disbursements and cash balances. All cash, revenues and expenses must be reconciled to the general ledger. Back-up documentation for journal entries must be kept and properly filed. Documentation must include: invoices, bills and other receipts, deposit slips, bank statements, check stubs, check books, canceled checks, purchase orders, petty cash records and other verification as applicable.

Payroll Records

Payroll records will show actual gross earnings; net payroll and payroll deductions for each individual staff member by pay period. If an employee is paid by more than one fund or program, the payroll journal will need to reflect the distribution of time and money against

each fund or program.

Back-up documentation must include:
a. Check history/Canceled paychecks;
b. Tax records;
c. Worker's compensation records;
d. Individual time sheets and activity logs.

Time Records
Time records should be kept indicating actual time worked, including types of time, such as sick leave, vacation leave, compensatory time, etc. Time sheets should be kept by the day and signed by the employee and supervisor.

Time sheets showing labor distribution and an activity log, which documents time spent on the project/program, must be kept for all grant funded employees. Copies of these must be submitted with reimbursement requests in addition to cancelled checks, payroll reports and general ledgers.

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.

Subrecipient Monitoring Regulatory Requirement

- **24 CFR 570.501(b) "**[the grantee] is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of . . . Subrecipients . . . does not relieve the recipient of this responsibility. The recipient is also responsible for determining the adequacy of performance under Subrecipient agreements . . . and for taking appropriate action when performance problems arise…"

- **Subpart J of 24 CFR Part 85** "Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor . . . subgrant- supported activities to assure compliance with applicable Federal requirements and that performance goals are achieved. Grantee monitoring must cover each program, function, or activity."

The contract compliance monitoring performed by Community Development 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 CDBG funded.

Programmatic and Fiscal Monitoring Process

Community Development staff will conduct an on-going monitoring process in order to review the programmatic and financial aspects of your agency's activities. Community Development staff will review monthly reports and reimbursement requests submitted by your agency for compliance with federal regulations regarding the use of federal funds and the implementation of the program.

The monitoring process is oriented towards resolving problems, offering technical assistance, and promoting timely implementation of programs. To this end, Community Development staff may require corrective actions. Following are examples of significant findings that will trigger corrective action by your agency:

1. Services are not documented;
2. Goals are not being met;
3. Program files not in order;
4. Complaints by clients;
5. Required reports not complete, accurate, or submitted in a timely manner,
6. Funding not spent correctly.

Program and fiscal on-site monitoring may or may not be scheduled concurrently. In some cases,it may be necessary to perform a follow up monitoring visit.

The five basic steps to an onsite monitoring visit include:

1. ***Notification Call or Letter*** -Explains the purpose of the visit, confirms date, scope of monitoring and outlines the information that will be needed to conduct the review.
2. ***Entrance Conference*** - Introduces monitoring visit purpose, scope and schedule.
3. ***Documentation and Data Gathering*** - The County will review and collect data and document conversations held with staff, which will serve as the basis for conclusions drawn from the visit. This includes reviewing client files, financial records, and agency procedures.
4. ***Exit Conference*** - At the end of the visit the County will meet again with the key agency representatives to present preliminary results, provide an opportunity for the agency to correct misconceptions and report any corrective actions already in the works.
5. ***Follow-Up Letter*** - The County will forward a formal written notification of the results of themonitoring visit pointing out problem areas and recognizing successes. The agency will be required to respond in writing to any problems or concerns noted.

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.

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 and Fiscal Monitoring Reports

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.
c. A recommendation will accompany each finding explaining how the deficiency can be corrected.
d. 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.
e. Observations, if any, made regarding the agency's operation.
f. If findings are severe, the letter accompanying the report mayplace a hold on future reimbursements to the Subrecipient until the findings are cleared.

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
Attn: Finance Coordinator
501 N. ThompsonSt., Suite 200
Conroe, TX 77301.

The response should include:
a. A response to each individual finding and concern, if applicable.
b. Copies of any documentation to back up the response to the findings (copies of corrected employee monthly time reports, etc.

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.

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. 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.

CLOSE-OUT PROCEDURES

Close-out Documentation

The Subrecipient shall maintain a system of internal control in accordance with generally accepted accounting practices. Internal control consists of a plan or procedure to safeguard assets, check the adequacy and reliability of accounting data, promote operating efficiency, and assures compliance with appropriate laws and regulations. On or before 90 calendar days after termination of the agreement, the project coordinator should submit to the County an annual inventory update and a closeout financial report. All property, documents, data, studies, reports and records purchased or prepared by the Subrecipient under contract should be disposed of according to contract.

In the event the program terminates, copies of all records relating to the program or activity that are the subject of the contract shall be furnished to the County. Financial statements submitted by the Subrecipient to the County shall be accurate and correct in all respects. Should inaccurate reports be submitted to the County, the County may elect to have the Subrecipient secure the services of a licensed accounting firm. Cost of such accounting services are to be borne by the Subrecipient

Montgomery County Grants and Community Development

Rehabilitation Program Guidelines & Policies

Updated 4/2024

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

Montgomery County
Grants & Community
DEVELOPMENT
501 North Thompson St, Ste 200
Conroe, TX 77301

Rebecca Ansley
Director

Amanda Vance
Assistant Director

Dear Applicant, Date:

Attached is a copy of the *Rehabilitation Program Guidelines and Policies* and an *Application* for the Montgomery County Grants & Community Development (MCG&CD) 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 and submit an ORIGINAL application and submit LEGIBLE COPIES of all your documents, as needed for MCG&CD to determine your eligibility for the Housing Rehabilitation Program.

MCG&CD is not responsible for obtaining your documents. Please submit an original application, but do not submit originals of any of your documents. MCG&CD 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 Stacey Doane 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

MCG&CD has the right to ask you to provide certified copies of documents when necessary. MCG&CD 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 MCG&CD.

Montgomery County partners with other agencies who also provide rehabilitation assistance. Any owner who previously received housing rehabilitation assistance from MCG&CD or any of our collaborating agencies, is not eligible for additional assistance.

Sincerely,

Rebecca Ansley
Director

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.

Montgomery County Emergency Assistance
1022 McCall Street
Conroe, TX 77301
936-539-9211

Habitat for Humanity® Montgomery County
P.O. Box 2624
Conroe, TX 77305
936-441-4663

Brazos Valley Community Action Agency, Inc.
Helping People. Changing Lives.
504 East 27th Street
Bryan, TX 77803
877-260-4925

Walker - Montgomery Community Development Corporation
143 Forest Service Rd. #233
New Waverly, TX 77358
936-344-6677

MCG&CD HOUSING REHABILITATION PROGRAM
GUIDELINES & POLICIES

A. ELIGIBILITY OF PROPERTY

1. **Location**. **The MCG&CD Housing Rehabilitation Program is coordinated and 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 in order to be eligible for assistance. 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. The current Homeowner must continue to maintain the Property as their primary residence during the period of affordability. The Period of Affordability means the time during which the homeowner must comply with all regulations as defined by the Rehabilitation Program Guidelines and Policies. For the Rehabilitation Program, the period of affordability is five (5) years. The Period of Affordability shall commence upon completion of the rehabilitation and shall run for five (5) years thereafter.

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. Applicants must have legal access to their own property. If there is no public right of passage available, the project will not be eligible.

4. **Cost of Rehabilitation.** To qualify, the property must be substandard and suitable for rehabilitation. The property must need rehabilitation to meet HUD Housing Quality Standards (HQS). Rehabilitation funds per home are limited to that which is necessary to make a house decent, safe and sanitary. Where all deficiencies are to be corrected, rehabilitation costs shall not exceed 75% of the home and land appraised value or $60,000.00, whichever is less. Where documentation and/or circumstances prove reasonable, the MCG&CD Housing Rehabilitation Program has the discretion to approve additional funds. The amount approved on each project is based on the approved work to be completed and the availability of funds. There is no guarantee that every residence will receive maximum funding, and there is no entitlement by the Homeowner to maximum or any funding. There is a possibility that prior to or during construction; the intended cost of the project could change. The cost could increase or decrease depending on the circumstances. The Homeowner will be notified in writing of any change to the intended work by the Project Supervisor.

5. **Zoning and Other Land Use Regulations.** The property must be in compliance with all local government zoning ordinances, special district regulations, and County subdivision regulations and permitting processes including minimum lot sizes. Proof of compliance may be required at the time of application.

6. **Homeowner's Insurance.** Proof of Homeowner's insurance must be submitted to MCG&CD with the application. Homeowners are required to maintain flood (where applicable) and hazard insurance throughout the affordability period and submit proof of such insurance on an annual basis. Failure to maintain flood insurance (where applicable) and hazard insurance throughout the period of affordability (no less than five (5) years from the completion of the rehabilitation project) SHALL result in default and is grounds for requesting payment on the Promissory Note owed on the rehabilitation. 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 period of affordability (no

less than five (5) years from the completion of the rehabilitation project). 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 MCG&CD.

9. **Property Title Holder.** The title or deed of the property/mobile home must be in the Homeowner/Applicant's name. Only title holders who live on the property or own the home are eligible for assistance. The Applicant must occupy the residence, and be named as title holder to the property/mobile home on the deed. Property cannot be held by siblings, spouses, or any party not occupying the residence.

10. **Clear Title.** All taxes and mortgage payments must be current and the title to the property must be clear of any mechanic's liens. Property being purchased under a Contract for Deed is not eligible for the Rehabilitation Program. Properties subject to any pending legal proceedings such as divorces, lawsuits, foreclosures, or seizure by local, state, or federal authorities are not eligible for assistance. If the taxes on the property are not current, the Homeowner must be on a payment plan, approved by the Montgomery County Tax Office. To qualify for assistance, the Homeowner must be current on all Homeowner Association Dues, Property Owner Association Dues, or any other land encumbering dues or taxes. The Homeowner must provide a letter from the association stating that the Homeowner has paid the appropriate fees and the property is clear of liens and other encumbrances. The MCG&CD 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.

12. **Previous Assistance.** Any homeowner who previously received housing rehabilitation assistance from Montgomery County Grants & Community Development or any of its collaborating partners, 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 MCG&CD Housing Rehabilitation Program. Failure to report previous assistance of any type is considered fraud, and is immediate grounds for denial of a rehabilitation application. Further, MCG&CD, 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 the MCG&CD Housing Rehabilitation Program, and the application/file has been closed/denied by MCG&CD, is not eligible to reapply for assistance for six (6) months, 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 carried out under The MCG&CD 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 Collaborative. Any negotiating or changing of the approved work is grounds for immediate termination of the contracts and the project. Approved work will consist of rehabilitation only necessary to accomplish a safe, sanitary, and decent home environment.

15. **Built before January 01, 1978.** In accordance with Federal Regulation**,** with regard to lead-based paint, all homes built before January 01, 1978 are presumed to have lead paint and will need to be checked for lead paint hazards.

16. **Flood Areas.** Any property located in the Special Flood Hazards Area may not be eligible for rehabilitation from MCG&CD 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 previous declared disasters, Montgomery County Grants & Community Development reserves the right to require flood insurance. If the Homeowner does not have the appropriate insurance and cannot obtain and maintain insurance, MCG&CD Housing Rehabilitation Program WILL NOT approve rehabilitation assistance.

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 MCG&CD and the application/file has closed, is not eligible to reapply for assistance for six months, 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. The current Homeowner must continue to maintain the Property as their primary residence during the period of affordability (no less than five (5) years from the completion of the rehabilitation project).

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 MCG&CD.

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

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

(1) **Sources of income** which are to be included in the determination of household income include:

(a) Income from Employment, Self -Employment Income
(b) Social Security, SSI, Disability
(c) Retirement, Pension
(d) Child Support
(e) AFDC
(f) Interest Income (This includes interest on CD's, or savings.)

(2) **Assets:** The Homeowner/Applicant shall not have liquid assets in excess of:

(a) **for Homeowners/Applicants under 62 years of age:**
$10,000 for a one-person household
$15,000 for a two- person household
$20,000 for a three or more person household

(b) **for Homeowners/Applicants over 62 years of age and/or any Applicant who is disabled or handicapped:**
$25,000 for a one-person household
$30,000 for a two or more person household

Assets include but are not limited to: checking accounts, savings accounts, Certificates of Deposit (CDs), additional property, vehicles, IRA accounts, 401k accounts, stocks, bonds, cash, jewelry, acreage, and the like.

(3) Information and/or detailed documentation in support of income eligibility must be obtained and reviewed by MCG&CD prior to application approval.

(4) Household income will be verified at the time of eligibility. It is the responsibility of the Existing Homeowner to notify MCG&CD if household income changes. Failure to notify MCG&CD of changes in income status is considered fraud and may cause the Applicant to be permanently barred from seeking assistance from MCG&CD Further, Montgomery County, The U.S. Dept. of Housing, or other authorities may seek prosecution of the fraud to the fullest extent permitted by law.

(5) Applicants who own stocks, bonds, Certificates of Deposit, and the like should be prepared to utilize (cash in) those in conjunction with the project.

6. Resident Safety. **For the safety of the resident, volunteers and contractors, residents may be required to secure a place to stay and remain off of the property during the construction** process as determined by the Construction Administrator. Residents may be required to package and remove belongings from the residence to facilitate the construction work in a safe manner. MCG&CD is not responsible for housing Homeowners, the removal of the Homeowner's personal property from the residence, nor the cost either. Neither MCG&CD 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 MCG&CD. A storage pod may be used in certain circumstances to facilitate the storage of the applicant's personal property during the course of the project if there is ample room to locate one on the property.

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

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

9. **Stop Work Clause. Circumstances could arise that make the completion of the project no longer feasible nor productive for Montgomery County Housing Rehabilitation, in which case the MCHRC may stop the project after the signing of paperwork, and before OR after the work has begun. The Homeowner must recognize that any removal of items, yard clean-up, or discarding of trash, debris, materials, or other items, in preparation and anticipation of the project, is at the Homeowner's expense and responsibility. Neither Montgomery County nor the MCG&CD Housing Rehabilitation Program are responsible for and will not replace any items** discarded, whether the project is completed or not.

10. **Promissory Note. Homeowners must sign a promissory note and agree to follow its terms and conditions**.

11. **Power of Attorney. Homeowners must sign a special power of attorney granting the Director of Grants & Community Development authority to handle necessary affairs of the project including the** endorsing of the Homeowner's name when necessary on documents.

12. **Annual Certification and Review. Homeowners must agree to submit an annual *No Change in Circumstance Form* provided by Grants & 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 Grants & 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 Grants & 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 MCG&CD. MCG&CD 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.

Applications can be submitted to the MCG&CD office year round however only complete applications will be considered for funding. 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. Applicants may reapply after six months and will be required to update financial information at that time.

Applications will be considered once all required documentation is received. A decision will be rendered based on income eligibility and approval of all official documents relevant to the property and ownership. 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. 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, sex, disability, familial status, or national origin.

F. DISPUTE RESOLUTION

Applicants can file complaints or grievances to Montgomery County on any issue or concern that may arise during their application review period and/or during the time that work is being done on their home. Appeals may be submitted in writing with photos to support claims to:

Appeals Committee
501 N. Thompson, Suite 200
Conroe, TX 77301.

The appeals committee consists of appointees from each precinct plus at-large appointees. The committee will review the file and respond within two weeks of receipt of the written appeal.



Montgomery County
Grants & Community
DEVELOPMENT
501 North Thompson St, Ste 200
Conroe, TX 77301

Rebecca Ansley
Director

Amanda Vance
Assistant Director

HOUSING REHABILITATION PROGRAM

I have read The Montgomery County Grants & Community Development (MCG&CD) 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 MCG&CD Housing Rehabilitation Program.

Signed on the _____ day of _____, _____.

Homeowner: _____

Homeowner: _____

EQUAL HOUSING OPPORTUNITY

Montgomery County Grants & Community Development Housing Rehabilitation Program Guidelines and Policies Receipt

My name is _____. I have read the attached MCG&CD 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 MCG&CD 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.

I understand that this assistance is in the form of a forgivable loan with a five (5) year period of affordability with the following (but not limited to) obligations:

1. I must maintain the Property as my primary residence for a period not less than five (5) years;
2. I must keep the Property in good repair and condition during this period;
3. I must pay all taxes and assessments on the Property before delinquency during this period;
4. I must maintain a homeowners insurance policy on the Property during this period;
5. I must not make the Property available for rent or lease during this period.

_____ _____

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

_____

Rebecca Ansley
Director, Montgomery County
Community Development and Grants

EQUAL HOUSING OPPORTUNITY

Date Received

Case #

MONTGOMERY COUNTY GRANTS & COMMUNITY DEVELOPMENT HOUSING REHABILITATION

501 N. Thompson, Suite 200 | Conroe, TX 77301

REHABILITATION PROGRAM APPLICATION

Please answer all questions completely and truthfully.

APPLICANT – LEGAL FIRST AND MIDDLE NAME	APPLICANT – LEGAL LAST NAME
CO-APPLICANT – LEGAL FIRST AND MIDDLE NAME	CO-APPLICANT – LEGAL LAST NAME
APPLICANT SOCIAL SECURITY #	CO-APPLICANT SOCIAL SECURITY #
APPLICANT PHONE NUMBER	CO-APPLICANT PHONE NUMBER
APPLICANT EMAIL	CO-APPLICANT EMAIL

Physical Property Address:

Mailing Address:

Detailed directions to property:

Please provide the info below for **ALL** members of your household that reside in your home:

Full Name	Age	Social Security #	Relationship

APPLICATION QUESTIONAIRE:

Do you live in Montgomery County? ☐ YES ☐ NO
If no, **STOP**! This program is for Montgomery County residents **ONLY**!

Do you own your home? ☐ YES ☐ NO
If no, **STOP**! This program is for homeowners **ONLY**!

Is your property clear of weeds, debris, trash, old vehicles, junk and other unsightly, unsafe and/or unsanitary conditions? ☐ YES ☐ NO

If the property needs to be cleaned up, are you capable of having this done? ☐ YES ☐ NO

Is your property used for business purposes? ☐ YES ☐ NO
If yes, what kind of business? _____
What percentage of the time is the property used for business? ____ 25% ,50%,75%,100%

Do you have and pending legal proceedings such as divorce, lawsuits, Bankruptcy, foreclosures, or other? Do you have a seizure by local, state or Federal authorities? If yes, please explain: ☐ YES ☐ NO

_____

_____

_____

Are your property taxes current? ☐ YES ☐ NO
If no, are you on a payment plan? Document of payment plan required.
If you are behind, please explain:

_____

_____

Is your home insured? If yes, please provide a copy of the policy. ☐ YES ☐ NO
If no, **STOP**, homeowners insurance is **REQUIRED** for the program.

Is your home or property in a flood plain? ☐ YES ☐ NO

Does water stand on your property? ☐ YES ☐ NO
If yes, please explain:

_____

_____

Do you live in a subdivision? ☐ YES ☐ NO
If yes, please list subdivision name: _____

Are you current on Home Owners/Property Owners Association dues and maintenance fees? If no, please explain including amount owed and any pending legal proceedings: ☐ YES ☐ NO

_____

_____

**Note: If application is approved, written approval from HOA/POA will be required prior to any rehabilitation work can begin.*

In which type of home do you reside? Select all that apply:

□ Single Family □ Multi-Family □ Condo/Townhouse

□ On Foundation □ Pier/Beam □ Mobile/Manufactured

Any structural considerations we should be made aware of, such as room attachments that were not part of the original home, decking/porches or freestanding roofs?
Please explain:

_____

_____

What year was your home built? _____

How long have you lived in the home? _____

Does your property have a pipeline or utility easement running within the Property lines? If yes, please explain: □ **YES** □ **NO**

_____

Do you have a physical disability that will require us to make special accommodations to your home for rehab preparations? □ **YES** □ **NO**
If yes, please explain:

_____

_____

Do you have extreme safety concerns with the living conditions at your Home? If yes, please explain: □ **YES** □ **NO**

_____

_____

How many residences are on your property? _____

How much land do you own? Acres _____ Lots _____

What is your Annual Gross Income: $_____

Have you ever home rehabilitation assistance from any local, state or Federal entity? If yes, please explain – Date, Amount of funds received, name of entity that provided assistance: □ **YES** □ **NO**

_____

_____

_____

Please provide a detailed description of the repairs/rehabilitation that your home is in need of. How will you request that the Montgomery County Housing Rehabilitation Collaborative funds be used to improve the living conditions of your home? Please include any septic issues that may need repairs.

_____

_____

_____

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

REHABILITATION APPLICATION STATEMENT OF TRUTH AND UNDERSTANDING

I understand that although I may qualify for assistance, the application process alone does not guarantee funds to assist my needs.

I understand that I must provide all of the required documentation and meet all eligibility requirements prior to being selected for the rehabilitation program.

I understand that the program is mutually voluntary and at any point rehabilitation efforts may cease at the discretion of either party – MCG&CD, Contractors or Applicant.

I understand the questions in this application and provided 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 supporting 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.

I understand that this assistance is in the form of a forgivable loan with a five (5) year period of affordability with the following (but not limited to) obligations:

1. I must maintain the Property as my primary residence for a period not less than five (5) years;
2. I must keep the Property in good repair and condition during this period;
3. I must pay all taxes and assessments on the Property before delinquency during this period;
4. I must maintain a homeowners insurance policy on the Property during this period;
5. I must not make the Property available for rent or lease during this period.

_____ _____

Applicant Signature Date Co-Applicant Signature Date

NOTE: If the applicant is married or has a partner, considered Common Law or otherwise, they must sign the application.

If an assistant is used to complete the application, please complete the portion below

I, _____ and _____

Applicant *Co-Applicant*

Acknowledge that the application was completed for me/us by the person listed below:

_____

PRINT Name Address Contact Number

_____ _____

Signature of Person Assisting Applicants Relationship to the Applicant/Co-Applicant

REQUIRED DATA FORM

Case #

_____ _____
Applicant First Name Applicant Last Name Co-Applicant First Name Co-Applicant Last Name

_____ _____
Applicant Contact Number and Email Co-Applicant Contact Number and Email

_____
Number of people living in the home

Full Name	Age	Social Security #	Relationship

INCOME OF HOMEOWNER:

Is the homeowner employed? ☐ **YES** ☐ **NO**

If yes, where? _____

If no, reason? _____

Homeowner Income Source	Amount	Weekly/Monthly/Annually
Salary/Hourly Income	$	
Social Security	$	
Disability	$	
Pension	$	
Child Support	$	
Other : _____	$	

OTHER INCOME INFO:

Other household members with income:

Name: _____ Amount: $_____/month

Name: _____ Amount: $_____/month

TOTAL HOUSEHOLD INCOME:

$_____/month

$_____/year

REQUIRED DATA FORM

ASSETS

Assets	Please enter YES/NO	Amount
Cash on Hand	YES NO	$
Checking Acct.	YES NO	$
Savings	YES NO	$
CD's	YES NO	$
Stocks/Bond	YES NO	$
Vehicles	YES NO	How Many? _____

Other Assets: (Jewelry, antiques, collections, 401(k), IRA's, 457, TRS, etc.)

_____

_____

_____

TOTAL HOUSEHOLD ASSETS AMOUNT: $_____

Income Tax Records Provided: ☐ ☐
YES **NO**

Income Information Provided By: _____
Applicant 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:

_____% $_____

Initials: _____
Date: _____

FOR OFFICE USE ONLY

Montgomery County
Grants & Community DEVELOPMENT
501 North Thompson St, Ste 200
Conroe, TX 77301

Rebecca Ansley
Director

Amanda Vance
Assistant Director

HOUSING REHABILITATION REQUIRED DOCUMENTATION

REQUIRED DOCUMENTATION:

The following documentation must be submitted with your application. *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. We must have ALL supporting documents listed below in order to process your application.*

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. ONCE RECEIVED, THE COPIES BECOME PROPERTY OF MCG&CD AND WILL NOT BE REDISTRIBUTED. COPIES BECOME PART OF A LEGAL FILE THAT IS REQUIRED TO BE KEPT ON RECORD. WE DO NOT PROVIDE COPY SERVICES FOR FUTURE NEEDS.

1. COMPLETED MONTGOMERY COUNTY HOUSING REHABILITATION COLLABORATIVE APPLICATION.

2. COMPLETED REQUIRED DATA FORM

3. COPY OF CURRENT DRIVER'S LICENSE OR PHOTO ID

4. COPY OF APPLICANT/CO-APPLICANT'S SOCIAL SECURITY CARD

5. COPY OF SOCIAL SECURITY CARDS FOR EVERYONE LIVING IN THE HOME

6. COPY OF CURRENT MORTGAGE STATEMENT

7. COPY OF THREE CURRENT BANK STATEMENTS FROM ALL BANK ACCOUNTS AND FINANCIAL INSTITUTIONS INCLUDING ALL PAGES

8. PROOF OF CURRENT INCOME FROM ALL SOURCES
For applicant and co-applicant: 3-4 consecutive paycheck stubs from most recent month(s) or employment verification letter. If only receiving social security, a benefits statement will suffice.

9. COPY OF CURRENT UTILITY BILLS
Electricity and water will suffice.

10. COPY OF RECENT INCOME TAX RETURN INCLUDING ALL ATTACHMENTS, SCHEDULES, AND W-2 FORMS
This is required for all income-earning adults living in the home listed in the application.

11. GENERAL WARRANTY DEED OR DEED OF TRUST FOR THE PROPERTY
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**.**

12. EASEMENT DEED
Or other recorded instrument reflecting any easements granted for the property, including, but not limited to: pipeline, utility, or land use easements.

13. CURRENT DEED RESTRICTIONS for subdivision, if applicable.

14. CURRENT PROPERTY TAX STATEMENT
Obtain from: Montgomery County Tax Office, 400 North San Jacinto, Conroe (936) 539-7897.

15. PROPERTY FIELD DATA CARD
Obtain from: Montgomery County Appraisal District, 109 Gladstell, Conroe (936) 756-3354 or pull it online at http://www.mcad-tx.org/.

16. COPY OF HOME OWNERS INSURANCE POLICY

17. FLOOD PLAIN CERTIFICATE
Obtain from: Alan B. Sadler Commissioners' Court Building, 501 N. Thompson, Ste. 100, Conroe (936) 539-7836. *Cost $5.00*

Montgomery County Grants and Community Development

Office Procedures

Rehabilitation applicants/contractors/vendors

Updated 5/2024

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

Office procedures
Rehabilitation applicants/contractors/vendors

Program Coordinator mails 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 mail out consists of the 20+ page document including the required document check list.

When an application packet is received in:

Program Coordinator 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).

Program Coordinator is responsible for income eligibility. Construction Administrator is responsible for rehabilitation eligibility.

Income eligibility is the first step of an application. Please refer to "Income Determination Guidelines" for specific information to determine income eligibility.

Income eligibility:
Program Coordinator reviews the income eligibility sheets and all financial information that has been provided with the application.

1) Documents Program Coordinator should be reviewing from the file include:
2) Social security card(s)
3) Current driver's license
4) Recent social security benefit statements
5) Recent bank statements
6) Recent child support documentation
7) Recent paycheck stubs
8) Recent disability benefit statement
9) Most recent tax return
10) And/or any other financial documents which may help in determining income eligibility.

Program Coordinator corrects and/or completes the blanks on the income eligibility sheets based on the documents he/she has received with the application.
If documents are needed, Program Coordinator returns an income eligibility document to the applicant and requests more information and/or more

documentation. Program Coordinator highlights the parts that need to be completed.

After 6 months, if no information is returned, Program Coordinator closes the file, marking **"closed applicant failed to provide requested documentation"** on the inside cover. They also close 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:

Program Coordinator verifies the information when it is submitted or resubmitted.

Program Coordinator 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 the Program Coordinator's responsibility to agree with the amount, and indicate that, or correct the amount, based on the documents that were submitted.

Program Coordinator compares the household income to the HUD income guidelines. If the applicant financially qualifies, Program Coordinator indicates which income bracket the client qualifies under on the income eligibility sheet, and signs their name as the person who verified the household income. Then dates the determination when it is made.

Program Coordinator is verifying income the best they can, with the documents we have. It is always recognized that applicants can lie, can submit false information, or alter documents. Program Coordinator's job is to ensure we have documentation that meets the guidelines, and is to our knowledge accurate. Program Coordinator should also ensure the application that reports the income is signed by the applicant.

At any time during Program Coordinator's financial review, a problem develops the MCCD Director/Assistant Director are 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 the Program Coordinator'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 applicant's receiving assistance from CDBG. This is the Construction Administrator's responsibility.

The Construction Administrator verifies the following:

Is the rehab address in Montgomery County?
Is the rehab address in an unincorporated area of Montgomery County?
Proof of ownership of rehab property.
Construction Administrator 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 Construction Administrator reviews the file and it appears to be a feasible applicant, Construction Administrator asks Program Coordinator to make contact with the applicant. Program Coordinator acknowledges that their application has been received and requests any documents needed for eligibility determination. Program Coordinator documents on the case notes form who they spoke with and what information was requested from the applicant.

A copy of any mailed correspondence 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. RI
8/18/2000 got answer machine. Left message that George homeowner needed to call Construction Administrator 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

Program Coordinator provides instruction and directions as to how the applicant can obtain the documents he or she is needing.

When Program Coordinator has documented the contact sheet, and file is pending waiting for the applicant to submit documents, she puts the file in Construction Administrator's office.

Program Coordinator 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, Program Coordinator 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.

Program Coordinator pulls the file after 6 months and closes it out.
Using the same close out method as previously described.

When all documents are submitted, Construction Administrator 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 Construction Administrator is coming. Construction Administrator should be on time, dressed neatly, and professionally. Program Coordinator accompanies Construction Administrator on all first time home visits.

Construction Administrator views the residence, and completes his write-up of rehabilitation needs.
Construction Administrator dates the write-up and signs it.
Construction Administrator completes the lead based paint review documentation.
Construction Administrator takes "before" photos of the project on his phone.

Upon his return to the office, Construction Administrator will download the photos from his phone to his computer in his office. Each client's photos are placed in a file labeled with their last, first name on it for identification.

Construction Administrator 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.

Construction Administrator determines whether this house is capable of rehabilitation 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 Construction Administrator and Program Coordinator then discuss the file.

If the file appears to be within the scope of CBDG, with all documents present, the application complete, and the income eligibility determined, Construction Administrator passes the file to Program Coordinator for further review.

Construction Administrator's dated work write-up, with his cost estimations, should be the first documents in the file so that they are the first things Program Coordinator views.

Program Coordinator again reviews the file for completeness.

Construction Administrator meets with Program Coordinator for discussion of options, cost, feasibility, etc. Together Program Coordinator and Construction Administrator approve the project subject to title search, design, and confirmed proposals. Throughout the process, all questions from Program Coordinator and Construction Administrator are directed to the Program Director for guidance and clarity. The Program Director makes the final decisions on each rehabilitation and replacement project.

Construction Administrator requests Program Coordinator to submit the applicant to *Old Republic* for a title search.

Program Coordinator does so and documents when she requested the title search. When the title search comes in--- Program Coordinator automatically submits the title search to the county attorney's office for county attorney review. Program Coordinator documents the file of that request. Program Coordinator 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.

Construction Administrator also reviews the title search documents.

Construction Administrator calls approved contractors and obtains written proposals for the job.

CBDG does not accept verbal bids or proposals at this phase. All bids/proposals must be in writing, current and signed by an appropriate party.

Construction Administrator selects approved contractors and holds a pre-Construction conference with the selected contractors.

Construction Administrator documents the total cost of the rehabilitation and submits the file to Program Coordinator 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 any time during Construction Administrator's process, a problem develops Program Director is to be informed immediately. This includes but is not limited to: angry applicants, personality clashes, paperwork confusion or suspected fraud.

Construction Administrator 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 alphabetical order—a thru z.

Program Coordinator files routine paperwork into the files.

Construction Administrator takes the file he is working on and returns it to Program Coordinator 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, financial 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.

Montgomery County Grants and Community Development

Nuisance Abatement/Demolition-Only Policy and Procedure

Updated 8/26/2016

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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

Montgomery County Grants and Community Development

Emergency Solutions Grant Program and Written Standards

Updated- 7/6/2020

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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.

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, childcare, 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.

DEPARTMENT: Program Operations	**SUB-DEPARTMENT**: HMIS
CREATED DATE: 2014	**UPDATED DATE**: June 2022

Homeless Management Information System (HMIS)

Policies and Procedures

TX-700 Continuum of Care

CONTACT INFORMATION

Coalition for the Homeless
2000 Crawford, Suite 700
Houston, TX 77002
Tel: 713-739-7514

Website information on Houston/Harris County HMIS: http://www.homelesshouston.org/hmis

The HMIS team provides ongoing assistance to all participating agencies. An agency can request additional training or onsite visits from the HMIS staff at any time: https://www.homelesshouston.org/hmis-v2#HMISUserTrainings

ClientTrack Training Website: http://www.clienttrack.net/hc_harris_train

ClientTrack Production Website: http://www.clienttrack.net/hc_harris

HMIS help desk: hmis@homelesshouston.org

For all issues related to HMIS & ClientTrack submit a ticket to IssueTrak: https://hmissupport.homelesshouston.org

DEPARTMENT: Internal Operations	**SUB-DEPARTMENT**: HMIS
CREATED DATE: 2014	**UPDATED DATE**: June 2022

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I. BACKGROUND AND STRUCTURE

A. Introduction

A Homeless Management Information System (HMIS) is a database used to record and track client-level information on the characteristics and service needs of homeless persons. An HMIS ties together homeless service providers within a community to help create a more coordinated and effective housing and service delivery system.

The U. S. Department of Housing and Urban Development (HUD) and other planners and policymakers at the federal, state, and local levels use aggregate HMIS data to obtain better information about the extent and nature of homelessness over time. Specifically, an HMIS can be used to produce an unduplicated count of homeless persons, understand patterns of service use, and measure the effectiveness of homeless programs.

In addition to serving as the lead agency for TX-700 Continuum of Care's (CoC), the Coalition for the Homeless is also as the HMIS Lead. As the HMIS lead we are the entity designated by the Continuum of Care in accordance with the HMIS Proposed Rule (24 CFR Part 580) to operate the Continuum's HMIS on the Continuum's behalf. The TX-700 Continuum of Care's (CoC) HMIS is staffed at the Coalition for the Homeless. The Coalition's HMIS staff is responsible for the administration of the HMIS software and providing technical assistance to participating agencies and end-users.

Agencies that participate in the TX-700 CoC's HMIS are referred to as "participating agencies." Each participating agency needs to follow certain guidelines to help maintain data privacy and accuracy. The guidelines listed in this document do not replace the more formal and legally binding agency agreement that each agency signs before program implementation.

B. History

In 2001, Congress instructed the U.S. Department of Housing and Urban Development (HUD) to take measures to improve available data concerning homelessness in the United States. In response, HUD mandated all Continuum of Care regions to implement region-wide databases that would allow an unduplicated count of clients served. Out of this directive came the Homeless Management Information System (HMIS), a computerized data collection application that facilitates the collection of information on homeless individuals and families using residential or other homeless assistance service agencies and stores that data in a centralized database for analysis.

In 2004, HUD published the HMIS Data and Technical Standards Final Notice which describes the types of data that HUD funded providers must collect from clients receiving homeless assistance services. The notice also presented privacy and security standards for providers, CoCs and all other entities that use or process HMSI data. These data standards have been revised several times; more recently in May 2021.

The revised data standards can be found at the following link [FY 2022 HMIS Data Standards (Manual) (hudexchange.info)](hudexchange.info) .

C. Federal Reporting

Having access to HMIS represents a strategic advantage for service providers. The HMIS software we use allows multi-level client data sharing between organizations, as well as client case coordination and electronic referrals. Our locally developed information-sharing model can prevent service duplications and enable collaboration between various homeless service providers, while limiting access to sensitive data. Client privacy is very important to us.

In addition to the standard data collection and reporting functionalities, the HMIS software includes a comprehensive case management module, bed management, performance measurement tools, ad-hoc reporting, software customization options, etc.

Lastly, providers already in HMIS are better positioned to apply for future funding opportunities, as many national and local funders now require HMIS participation.

1. System Performance Measures (SPM)

The McKinney-Vento Homeless Assistance Act, as amended, focuses on viewing the local homeless response as a coordinated system of homeless assistance options as opposed to homeless assistance programs and funding sources that operate independently in a community. The Act now requires communities to measure their performance as a coordinated system, in addition to analyzing performance by specific projects or project types.

The Act has established a set of selection criteria for HUD to use in awarding CoC funding that require CoCs to report to HUD their system-level performance. The intent of these selection criteria is to encourage CoCs, in coordination with ESG Program recipients and all other homeless assistance stakeholders in the community, to regularly measure their progress in meeting the needs of people experiencing homelessness in their community and to report this progress to HUD. Specifically, the SPM assess the CoC's performance against the following measures:

- Measure 1: Length of Time Persons Remain Homeless
- Measure 2: The Extent to which Persons Exiting Homelessness to PH Destinations Return to Homelessness
- Measure 3: Number of Homeless Persons: Change in PIT and Annual Counts
- Measure 4: Employment and Income Growth for Homeless Persons in CoC Program-funded Projects
- Measure 5: Number of persons who become homeless for the 1st time
- Measure 7: Successful Placement from Street Outreach and Successful Placement in or Retention of PH

2. Annual Homeless Assessment Report and Longitudinal System Analysis (AHAR and LSA)

Congress has directed the U.S. Department of Housing and Urban Development (HUD) to assist local jurisdictions in implementing an HMIS and in using data from these systems to obtain an unduplicated count of homeless persons, analyze local patterns of services usage, and assess local service needs.

The AHAR uses aggregate HMIS data from communities across the country, as well as information from CoC applications, to produce a national report on homelessness to the U.S. Congress. The AHAR is designed to:

- Develop an estimate of the number of homeless persons nationwide;
- Estimate the number of persons receiving assistance in permanent supportive housing (PSH);
- Create a descriptive profile of homeless persons and persons in PSH;
- Understand service use patterns; and,
- Estimate the nation's capacity to house homeless persons.

The AHAR to Congress is the only source of data that is available annually on the extent and nature of homelessness nationwide. As such, the LSA submission from your CoC is critical to providing federal and local policymakers with a deeper understanding of who is homeless and how homelessness changes over time. This information can be used to inform the public and help policymakers craft appropriate intervention strategies to prevent and end homelessness in the United States. Indeed, LSA data used in the AHAR will assist in tracking progress against the federal strategic plan to prevent and end homelessness.

Houston is currently a contributing state for the AHAR and has been since 2005. The AHAR is based on an unduplicated count of persons within each community, and focuses on persons who use emergency shelters, transitional housing programs and/or permanent supportive housing. The AHAR does not account for homeless persons who only use supportive service programs or are service resistant and do not access any type of homeless residential programs during the study period.

3. Housing Inventory Count (HIC)

The Housing Inventory Count (HIC) is designed to be an accurate reflection of each CoC's capacity to house homeless and formerly homeless individuals and families. It collects information about beds and units in each Continuum. The inventory is categorized by five (5) program types: Emergency Shelter, Transitional Housing, Permanent Housing, Rapid Re-housing, and Safe Haven. Whether or not they actively participate in the CoC, all residential projects, both HUD funded and non-HUD funded are to be included in this annual count. This count does exclude the following from its inventory: substance abuse facilities, foster care or group homes, incarceration facilities, and medical facilities.

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4. Point in Time (PIT) Count

Point in time (PIT) counts are a critical source of data on the number and characteristics of people who are homeless in the United States. Per the HUD CoC program rules identified in 24 CFR 578.7(c)(2), this CoC participates in both the street and shelter counts. The data captured during the annual PIT count are provided to Congress as part of the AHAR. It serves to provide Congress, HUD, other federal departments, and the general public a complete understanding to the nature and extinct of homelessness. PIT count data and CoC efforts to produce an accurate count also play a critical role in the annual CoC program competition. In addition to informing HUD funding decisions and national priorities, PIT count data are an extremely important source for local program and system planning. The sheltered and unsheltered count must be conducted during the last 10 days in January and represent all homeless persons who were sheltered and unsheltered on a single night during that period. While the unsheltered count is comprised of information gathered from homeless persons on the street on the night of the count, ALL sheltered data is taken directly from the HMIS.

II. ROLES AND RESPONSIBILITIES

The goals of Houston's HMIS Project are to:

1. Assist homeless persons to navigate homeless service programs in Houston, Harris County, Ft. Bend County, Montgomery County, Baytown and Pasadena
2. Assist homeless service agencies with information allowing them to better serve their clients
3. Gain a greater understanding of the numbers and characteristics of the homeless population
4. Identify the needs of the homeless, both met and unmet
5. Track available resources
6. Provide information on services homeless receive as well as monitor outcomes and program performance
7. Increase community awareness and understanding of issues related to homelessness

To achieve these goals, we all have a role to play and responsibilities and standards to adhere to.

A. Coalition for the Homeless – HMIS Responsibilities

1. Execute HMIS participation agreements;
2. Monitor compliance with applicable HMIS standards on a regular basis;
3. Establish and review annually End User Agreements;
4. Maintain and update as needed the files for HMIS software to include software agreements, HUD Technical Submissions, HUD executed agreements and Annual Progress Reports;
5. Develop and maintain HMIS agency files to include original signed participation agreements, original signed user license agreements and all other original signed agreements pertaining to HMIS;
6. Develop and update as needed a Data Quality Plan;
7. Review and update HMIS Privacy Policy yearly;
8. Develop and review annually the HMIS Security Plan;
9. Review and update as needed the HMIS Policies and Procedures;
10. Provide copies of the Data Quality Plan, Privacy Policy, Security Plan and Policies and Procedures to the HMIS Support Committee for review and feedback on an annual basis;

11. Review national, state and local laws that govern privacy or confidential protections and make determinations regarding relevancy to existing HMIS policy;
12. Provide new user training and refresher user training monthly;
13. Pro-actively contact new users for immediate follow up and issuance of username and password to access HMIS to begin entry of data as soon as possible following training;
14. Provide technical support to agencies using HMIS for troubleshooting and data input;
15. Monthly review of HMIS data and bed lists to ensure that participating agency programs are using HMIS accurately;
16. Provide assistance to agencies upon request for additional on-site training and support; and
17. Conduct unduplicated accounting of homelessness annually.

B. Participating Agency Responsibilities

1. Must comply with all applicable agreements;
2. Execute and manage HMIS User License Agreements with all staff who have HMIS access;
3. Comply with the HMIS Standards as appropriate;
4. Accurately enter all required data into the HMIS system, including accurate and timely information into housing, where applicable; and
5. Each participating agency must designate an organization Security Officer and a backup Security Officer responsible for the oversight of all personnel that generate or have access to client data in the HMIS to ensure adherence to the policies and procedures described in this document
6. Attend annual HMIS security training

III. IMPLEMENTATION POLICIES AND PROCEDURES

A. HMIS Agency Participation Agreement

The Executive Director of any Participating Agency shall follow, comply, and enforce the HMIS Agency Participation Agreement (Appendix A). The Executive Director must sign an HMIS Agency Participation Agreement before granted access to HMIS. Signing of the HMIS Agency Participation Agreement is a precursor to training and user access.

1. An original signed HMIS Agency Participation Agreement must be presented to the HMIS staff before any program is implemented in the HMIS.
2. After the HMIS Agency Participation Agreement is signed, the HMIS staff will train end users to use HMIS.
3. A username and password will be granted to end users after required training is completed.

B. HMIS User License Agreement

End user of any Participating Agency shall follow, comply, and enforce the HMIS User License Agreement (Appendix B). Before given access to HMIS, the end user must sign an HMIS User License Agreement.

1. The HMIS staff will provide the end user a HMIS User License Agreement for signature after completing required training.
2. The HMIS staff will collect and maintain HMIS User License Agreements of all end users.
3. A username and password will be granted to end users after required training is completed.

DEPARTMENT: Internal Operations	**SUB-DEPARTMENT**: HMIS
CREATED DATE: 2014	**UPDATED DATE**: June 2022

C. Data Collection Requirements

At a minimum. HUD requires that the CoC collect project descriptor information in the HMIS for all participating projects and residential projects, regardless of participation, in the served jurisdiction. The following project descriptor data elements (PDDE) are required for set up in HMIS:

1. Organization information
2. Project information
3. Continuum of Care information
4. Funding sources
5. Bed and unit inventory information

The HMIS Data Standards are comprised from a variety of resources stretching across multiple federal partners. While each of these partners require some different level of data collection, there is one set of universally required data elements.

This basic set of universal data elements (UDEs), set forth in the FY 2022 HUD HMIS Data Standards Manual, is required of all agencies. They are as follows:

- Name
- Social Security Number
- Date of Birth
- Race
- Ethnicity
- Gender
- Veteran Status
- Disabling Condition
- Project Start Date
- Project Exit Date
- Destination
- Relationship to Head of Household
- Client Location
- Housing Move-In Date
- Prior Living Situation

All participating agencies, regardless of funding, must collect, verify, and enter these UDEs into the HMIS within the timeframe outlined in the HMIS Data Quality Plan (Appendix C).

In addition to the universal data elements, there are common program specific data elements. These elements are collected across most Federal Partner programs. Users must also collect all the program-specific data elements at project entry, annual, and exit set forth in the FY 2022 HMIS Data Standards. They are as follows:

- Income and Sources
- Non-Cash Benefits
- Health Insurance
- Physical Disability
- Developmental Disability
- Chronic Health Condition
- HIV/AIDS
- Mental Health Problem
- Substance Abuse
- Domestic Violence
- Current Living Situation
- Date of Engagement
- Bed-Night Date
- Coordinated Entry Assessment
- Coordinated Entry Event
- Well Being Data Element

For more details on the specific requirements of each federal partner, see the referenced program manual.

Manual Name	Federal Partner	Program(s)
CoC Program HMIS Manual - FY 2022	U.S. Department of Housing and Urban Development (HUD) – Office of Special Needs Assistance Programs (SNAP)	All Continuum of Care (CoC) program component projects
ESG Program HMIS Manual	U.S. Department of Housing and Urban Development (HUD) – Office of Special Needs Assistance Programs (SNAP)	All Emergency Solution Grant (ESG) program component projects
HOPWA Program HMIS Manual	U.S. Department of Housing and Urban Development (HUD) – Office of HIV/AIDS Housing	All Housing Opportunities for Persons with AIDS (HOPWA) program component projects
PATH Program HMIS Manual	U.S. Department of Health and Human Services – Substance Abuse and Mental Health Services Administration	All Projects for Assistance in Transition from Homelessness (PATH) component projects
RHY Program HMIS Manual	U.S. Department of Health and Human Services – Administration for Children and Family Services – Family and Youth Services Bureau	All Runaway and Homeless Youth (RHY) component projects
VA Programs HMIS Manual	Department of Veteran Affairs	SSVF, GPD, and HCHV veteran homeless projects
HUD-VASH Program HMIS Manual	U.S. Department of Housing and Urban Development (HUD) – VASH and Department of Veteran Affairs	Veterans Affairs Supportive Housing (VASH) projects
YHDP HMIS Manual – FY 2022	U.S. Department of Housing and Urban Development (HUD) – Office of Special Needs Assistance Programs (SNAP)	All YHDP component projects

D. HMIS Data Standards Terms and Concepts

1. Continuum of Care and Continuum means the group organized to carry out the responsibilities required under the CoC Program Interim Rule (24 CFR Part 578) and comprises representatives of organizations, including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, and law enforcement, and organizations that serve homeless and formerly homeless persons to the extent that these groups are represented within the geographic area and are available to participate.
2. CoC Program refers to the HUD funding source which provides housing and/or service grant dollars.
3. Continuum project refers to a distinct unit of an organization, which may or may not be funded by HUD or the Federal Partners, whose primary purpose is to provide services and/or lodging for the homeless and is

identified by the Continuum as part of its service system. For example, a project funded by the HUD's CoC Program may be referred to then as a "CoC Program-funded continuum project."

4. HMIS User means the individual who uses or enters data in an HMIS or a comparable database approved by the CoC.
5. HMIS Lead means the entity designated by the Continuum of Care in accordance with the HMIS Proposed Rule (24 CFR Part 580) to operate the Continuum's HMIS on the Continuum's behalf. The Coalition for the Homeless serves as the HMIS Lead
6. HMIS System Administrator means the individual(s) whose job it is to manage the HMIS implementation at the local level: enrolling programs and managing appropriate use, supporting users through connection to, or direct provision of, user training, and overseeing system setup.
7. Project and Program are terms used to mean different things across the federal agencies. In this document, and for the purposes of data collection in HMIS, a program refers to the federal funding source (e.g., HUD CoC, HHS PATH, VA SSVF, YHDP, etc.) whereas project refers to a distinct unit of an organization as set up in the HMIS.

E. HMIS Project Start and Exit Date

End users of any Participating Agency must record the Program Entry Date of a client into HMIS no later than the following for each program type:

1. Emergency Shelters: One (1) workday (24 work hours after the check-in/check-out time)
2. Transitional and Permanent Supportive Housing Programs: Three (3) workdays
3. Rapid Re-Housing and Homelessness Prevention Programs: Three (3) workdays
4. Outreach Programs: Three (3) workdays
5. Supportive Services Only Programs: Three (3) workdays
6. Coordinated Entry: Real time

End Users of any Participating Agency must record the Project Exit Date of a client into HMIS no later than three (3) business days after exiting the program or receiving their last service. Enabling the "auto-exit" feature is used at the discretion of the HMIS Lead Agency. If enabled, clients enrolled in the program will automatically exit after the defined number of days of not receiving services defined as a "participating service" for that program and record the date of the client's last day in the program as the last day a service was provided.

1. End user must enter the month, day, and year of project enrollment and project exit.
2. For returning clients, end user must record a new Project Entry Date and corresponding Project Exit Date.

3. The system will trigger a warning when end users enter a Project Exit Date that is earlier than the Project Entry Date for a client.

F. HMIS Support Protocol

The HMIS staff will provide a reasonable level of support to Participating Agencies via email, phone, and/or remote.

1. HMIS Users should first seek technical support from their agency HMIS expert.
2. If more expertise is required to further troubleshoot the issue, agency HMIS expert or HMIS User should submit request to:
   - IssueTrak at https://hmissupport.homelesshouston.org for all issues related to ClientTrack, or
   - HMIS Support for general technical support at hmis@homelesshouston.org. Refrain from sending email correspondence directly to the HMIS Support Team.
3. HMIS Help Desk line (832-531-6014 or 832-531-6020) is available for HMIS users Tuesday – Thursday (excluding holidays) from 9:00 AM to 11:00 AM and 1:00 PM to 2:00 PM. You must allow until the close of business for a response when you leave a message.
4. Provide issue replication details if possible (or help recreate the problem by providing all information, screenshots, reports, etc.) so HMIS staff can recreate problem if required.
5. The HMIS staff will try to respond to all email inquiries and issues within three (3) business days, but support load, holidays, and other events may affect response time.
6. The HMIS staff will submit a ticket to software vendor if progress is stalled.

G. HMIS Fees

The TX-700 CoC does not charge a fee for HMIS participation. However, the CoC reserves the right to change this policy should future needs require it. Specialized reports and/or customizations may incur additional fees.

IV. SECURITY POLICIES AND PROCEDURES

A. Training

Each end user must complete the required New User Training prior to gaining access to HMIS. HMIS staff will provide training to all end users

1. HMIS staff will provide New User Training to proposed end users.
2. HMIS staff will provide new end users with a copy of the HMIS Policies and Procedures and HMIS User Guide.
3. The table below lists the training courses offered.

Course Description	Course Detail
New User Training	Users will learn the basic skills and concepts needed in order to complete the client intake process.
Refresher Training	Help to refresh the skills of active users, as well as review any issues users may have with navigating through the system or the data collection process.

Reports Training	Users are given an overview of the various reporting options available in ClientTrack.
Data Explorer	Trains experienced users, with good knowledge of existing ClientTrack reports, on the usage of ClientTrack's ad hoc data analysis tool. (Limited to one user per agency per session)

Additionally, each end user must complete annual security training provided by HMIS Staff. Failure to complete this training will result in user account suspension until the training has been completed. Refresher training is required of all new users three months after initial training. Accounts will be deactivated if the refresher is not attended.

B. User Authentication

Only users with a valid username and password combination can access HMIS. The HMIS staff will provide unique username and initial password for eligible individuals after completion of required training and signing of the HMIS User License Agreement.

1. The Participating Agency will determine which of their employees will have access to the HMIS. User access will be granted only to those individuals whose job functions require legitimate access to the system.
2. Proposed end user must complete the required training and demonstrate proficiency in use of system.
3. Proposed end user must sign the HMIS User License Agreement stating that he or she has received training, will abide by the Policies and Procedures, will appropriately maintain the confidentiality of client data, and will only collect, enter and retrieve data in the system relevant to the delivery of services to people.
4. The HMIS staff will be responsible for the distribution, collection, and storage of the signed HMIS User License Agreements.
5. The HMIS staff will assign new users with a username and an initial password.
6. Sharing of usernames and passwords is a breach of the HMIS User License Agreement since it compromises the security to clients. Violation will result in loss of username of all parties and a consult session with manager/director/ED.
7. The Participating Agency is required to notify the HMIS staff when end user leaves employment with the agency or no longer needs access.
8. Users not logging into HMIS for more than 45 days will be locked out due to non-activity.

C. Passwords

Each end user will have access to HMIS via a username and password. Passwords will be reset every 180 days. End users will maintain passwords confidential.

1. The HMIS staff will provide new end users a unique username and temporary password after required training is completed.

2. End user will be required to create a permanent password that is between eight and sixteen characters in length. It must also contain characters from the following four categories: (1) uppercase characters (A through Z), (2) lower case characters (a through z), (3) numbers (0 through 9), and (4) non-alphabetic characters (for example, $, #, %).
3. End users may not use the same password consecutively but may use the same password more than once.
4. Access permission will be revoked after the end user unsuccessfully attempts to log on five times. The end user will be unable to gain access until the HMIS staff reset their password.

D. Hardware Security Measures

All computers and networks used to access HMIS must have virus protection software and firewall installed. Virus definitions and firewall must be regularly updated.

E. Security Violations and Sanctions

Any end user found to be in violation of security protocols of their agency's procedures or HMIS Policies and Procedures will be sanctioned accordingly. All end users must report potential violation of any security protocols.

1. End users are obligated to report suspected instances of noncompliance and/or security violations to their agency and/or HMIS staff as soon as possible.
2. The Participating Agency or HMIS staff will investigate potential violations.
3. Any end user found to be in violation of security protocols will be sanctioned accordingly. Sanction may include but are not limited to suspension of system privileges and revocation of system privileges.

F. Audit & Compliance

For audit and compliance purposes, the HMIS Lead Agency adheres to the standards set forth in the HMIS Data Standards Data Dictionary. Specifically, Metadata Elements are collected to be used in facilitating reports from HMIS, to simplify the writing of programming specifications, and to provide an audit trail. The term "metadata" is defined as "data about data". Instead of capturing information about a project or a client, Metadata Elements capture information about the data itself: when it was collected, when it was entered into HMIS, who entered it, and which project is responsible for it. In the event of an audit, a history of all HMIS entries will be provided.

G. Equal Access

All end users and participating agencies must adhere to an environment that embraces diversity, respects the rights of all individuals, is open and accessible, and is free of harassment and discrimination based on, but not limited to, ethnicity, race, creed, color, religion, age, disability, sex, marital status, national origin, genetic information, political opinions or affiliations, and veteran status in all its programs, activities, and employment.

DEPARTMENT: Internal Operations	**SUB-DEPARTMENT**: HMIS
CREATED DATE: 2014	**UPDATED DATE**: June 2022

V. DATA POLICIES AND PROCEDURES

A. Data Quality

Data quality refers to the timeliness, completeness, and accuracy of information collected and reported in the HMIS. All data entered into the HMIS must meet data quality standards. Participating Agencies will be responsible for their users' quality of data entry.

1. Data Timeliness:
   End users must enter all universal data elements and program-specific data elements using the guidelines identified in the HMIS Data Quality Plan (Appendix C).

2. Data Completeness:
   All data entered into the system is complete.

3. Data Accuracy:
   All data entered shall be collected and entered in a common and consistent manner across all programs.
   a. Participating Agencies must sign the HMIS Agency Participation Agreement (Appendix A) to ensure that all participating programs are aware and have agreed to the data quality standards.
   b. Upon agreement, Participating Agencies will collect and enter as much relevant client data as possible for the purposes of providing services to that client.
   c. The HMIS staff will conduct monthly checks for data quality. Any patterns of error or missing data will be reported to the Participating Agency.
   d. End users will be required to correct the identified data error and will be monitor for compliance by the Participating Agency and the HMIS staff.
   e. End users may be required to attend additional training as needed.

B. Preventing Client Duplication at Program Entry

Using the search criteria effectively in the HMIS before adding client-level data is the most important method for reducing duplication in the HMIS. Prior to adding a new client, it is important that users search for the client to determine if he or she has been entered into the HMIS at some point in the past. Limiting the search to just the last name field is the most effective way to search for clients in the database. Searching for a client using more than one field and a client's full information increases the likelihood of error and the potential that a new client is created that already exists. If you suspect that a client has already been entered into the HMIS at some point and the client has a difficult last name, you may want to search using wildcard characters (*).

As an example, Hakeem Olajuwon could be searched for by using the following method:

1. If you are certain that the first three letters of the last name are correct, you could type "Ola*" in the last name field.

2. This will bring up all clients in the database with last name starting with Ola.
3. If you wanted to narrow the search results you could type Ha* in the first name field and Ola* in the last name field.

Generally, easy last/first names will bring up the desired client with no problem. However, it is still recommended to use the above approach.

It is recommended that the social security number (SSN) or alias fields be used with great care. Searching by just the SSN increases the likelihood of error due to transposition errors. The HMIS contains a large amount of client records and every search for a client should be conducted as if the client records already exist. If you have exhausted all recommended search strategies, then and only then should a new client record be created.

Use three or more (3+) search methods independently, including last name only, first three letters of last name, and first two letters of first or last name. SSN used WITH crosschecking Date of Birth (DOB) and First and Last Name for any client with identical SSN.

C. Data Use and Disclosure

All end users will follow the data use Policies and Procedures to guide the data use of client information stored in HMIS.

Client data may be used or disclosed for system administration, technical support, program compliance, analytical use, and other purposes as required by law. Uses involve sharing parts of client information with persons within an agency. Disclosures involve sharing parts of client information with persons or organizations outside an agency.

Participating Agencies may use data contained in the system to support the delivery of services to homeless clients in the continuum. Agencies may use or disclose client information internally for administrative functions, technical support, and management purposes. Participating Agencies may also use client information for internal analysis, such as analyzing client outcomes to evaluate program.

The vendor and any authorized subcontractor shall not use or disclose data stored in HMIS without expressed written permission in order to enforce information security protocols. If granted permission, the data will only be used in the context of interpreting data for research and system troubleshooting purposes. The Service and License Agreement signed individually by the HMIS Lead Agency and vendor contain language that prohibits access to the data stored in the software except under the conditions noted above.

D. Data Release

All HMIS stakeholders will follow the data release Policies and Procedures to guide the data release of client information stored in HMIS.

Data release refers to the dissemination of aggregate or anonymous client-level data for the purposes of system administration, technical support, program compliance, and analytical use.

1. No identifiable client data will be released to any person, agency, or organization for any purpose without written permission from the client, unless covered by Privacy Policy release exceptions.
2. Aggregate data may be released without agency permission at the discretion of the Continuum. It may not release any personal identifiable client data to any group or individual.

VI. CLIENT CONSENT, PRIVACY AND RIGHTS

A. Client Consent

Participating Agencies must obtain informed, consent prior to entering any client personal identifiable information into HMIS. Services will not be denied if a client chooses not to include personal information. Personal information collected about the client should be protected. Each Participating Agency and end user must abide by the terms in the HMIS Agency Participation Agreement (Appendix A) and HMIS User License Agreement (Appendix B).

1. Client must provide consent, verbal or written. The HMIS Client Consent and Release form (Appendix D) should be used for written consent.
2. Clients that provide permission to enter personal information allow for Participating Agencies within the continuum to share client and household data.
3. If client refuses consent, the end user should not include any personal identifiers (First Name, Last Name, Social Security Number, and Date of Birth) in the client record.
4. For clients with consent refused, end user should include a client identifier to recognize the record in the system.
5. Participating Agencies shall uphold Federal and State Confidentiality regulations and laws that protect client records.

B. Client Privacy

The HMIS standards and the HIPAA standards are mutually exclusive. An organization that is covered under the HIPAA standards is not required to comply with the HMIS privacy or security standards, so long as the organization determines that a substantial portion of its protected information about homeless clients or homeless individuals is indeed protected health information as defined in the HIPAA rules.

HIPAA standards take precedence over HMIS because HIPAA standards are finely attuned to the requirements of the health care system; they provide important privacy and security protections for protected health information; and it would be an unreasonable burden for providers to comply with and/or reconcile both the HIPAA and HMIS rules. This spares organizations from having to deal with the conflicts between the two sets of rules.

Victim services providers that are recipients or subrecipients under the CoC Program and covered under the Violence Against Women Act (VAWA) are required to collect client-level data consistent with HMIS data collection requirements, BUT they must not directly enter data into an HMIS. To protect clients, victim services providers must enter required client-level data into a comparable database that complies with HMIS requirements. They may use CoC Program funds to establish and operate a comparable database. Information entered into a comparable database must not be entered directly into or provided to an HMIS. Victim services providers MUST provide aggregate data to the CoC for reporting purposes.

C. Client Grievance

It is the policy of the Coalition to ensure that clients serviced by this organization and its partner agencies have the right to respectful and responsive services. We are committed to providing a clear grievance process for those served in our programs and their authorized or legal representatives to bring grievances forward and have them resolved in a timely manner.

All participants have the right to file formal grievances if they feel they are not being treated fairly, have problems with the behaviors of others (either staff or other participants), or disagree with program components. If there is a problem, it is requested that you sincerely try to resolve the issue with the person or persons involved.

If there is a grievance regarding Coalition for the Homeless Case Management staff and efforts to resolve it directly have not been successful, participants have the right to meet with the Director of Housing who will help resolve the issue.

The grievance must be submitted to the Director of Housing in writing within seven (7) days. The Director of Housing has seven (7) days to issue a written response to the participant. If the Director of Housing is unable to resolve the issue, or the issue concerns the Director, the VP of Program Operations may be involved in the resolution process.

Any response by the participant to the Director of Housing or VP of Programs Operations must be submitted in writing and within seven (7) days. The VP of Program Operations has seven (7) days to issue a written response to the participant.

If the grievance is regarding something or someone other than a staff person, it is recommended to first discuss the matter with a case manager who can assist in resolving the problem, the Director of Housing may be included in resolving the problem.

Grievances regarding organizations, other than the Coalition for the Homeless, will be forwarded to that organization (See Appendix G for HMIS Client Grievance Policy). Coalition staff and other outreach, shelter and housing organization staff work closely together to prevent confusion and misunderstandings regarding rules, policies, expectations, and procedures.

If a participant feels mistreated by another participant in the program, they are encouraged to confront the peer in a healthy manor. The participant may request staff assistance in resolving the issue. This process is in place to assist participants in developing confrontation tools.

Contacts

Director of Housing
James Gonzalez
Jgonzalez@homelesshouston.org

VP of Program Operations
Ana Rausch
Arausch@homelesshouston.org

Mail to: Coalition for the Homeless Houston/Harris County
2000 Crawford Suite 700
Houston Tx 77002

VII. APPENDICES

Appendix	Document Title
Appendix A	HMIS Agency Participation Agreement
Appendix B	HMIS User License Agreement
Appendix C	HMIS Data Quality Plan
Appendix D	HMIS Client Consent and Release
Appendix E	Privacy Policy
Appendix F	HMIS Fee Schedule
Appendix G	HMIS Client Grievance Policy

Montgomery County Grants and Community Development

Continuum of Care

Updated 04/2017

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

Continuum of Care is the Federal initiative which calls for the streamlining and strengthening of the Nation's efforts to break the existing cycle of homelessness and for preventing future homelessness. The plan seeks to raise consciousness regarding homelessness and recommends both immediate action to deal with the current crisis and more far-reaching actions to address the underlying roots of the problem. It identifies several key steps for government to take now to change dramatically the face of our system for coping with homelessness.

The number of families and individuals in our country who were once or are currently homeless is staggering by any measure. Researchers have found that as many as 600,000 people are homeless on any given night over a 1 week period. Other research reveals the startling finding that about 7 million American's experienced homelessness at least once in the latter half of the 1980's.

Homelessness can best be understood as including two broad, sometimes overlapping categories of problems or causes. The first is people living in crisis poverty – persons or families whose lives are routinely marked by hardship, which causes episodic bouts of homelessness. Federal and State aid and other income this group receives has continually been out-paced by rising housing costs and inflationary trends. Persons in this group are in essence one paycheck away from homelessness. The structural causes which are the fundamental root of all homelessness are the lack of affordable housing; poverty; changes in family structure; drugs, disabilities and chronic health problems; and changes in the labor market. Homeless men and women with chronic disabilities – substance abuse, severe mental illness, chronic health problems, and/or long-standing family difficulties – represent the second category of homelessness. This group suffers from prolonged periods of homelessness which tend to make them the most visible in the public's image. Disability coupled with the toll of street living make their situation more complex than those who are homeless because of crisis poverty. Those with chronic disability require not only economic assistance, but rehabilitation and ongoing support as well.

The ultimate goal of the plan is to provide a decent home and suitable living environment for those in need. The plan offers a two pronged strategy for reaching this goal: first, it provides measures for those currently homeless; and secondly, long-term structural changes to prevent the occurrence of homelessness. There is a need to forge comprehensive solutions at the local level. The Continuum of Care plans for homeless programs within a jurisdiction with a single plan. Thus, there would no longer be national competition for funding allocations since all funds would be distributed locally. The goal is a consolidated plan governing all programs which will serve all homeless populations and which will have a single application process – "a one stop shop" approach through inter-networking processes.

We have learned that what we need is a system that provides a continuum of care, a system that provides a seamless motion and movement from the street to

permanent housing. The continuum of care system first provides outreach, intake and assessment that goes out and helps people from the street enter a system that will assess their needs and help them on their way. A system that provides emergency shelter, a safe, clean, decent alternative to the streets. A system that provides transitional housing for those individuals or families who need supportive services as opposed to going directly to permanent housing. Transitional housing would provide substance abuse services, mental health services, life skills training, educational services, job training, family support and continuing services for those who need it. Ultimately, all homeless persons need permanent housing and some additional support and that is permanent supportive housing. The most visible of the homeless population and the most needy are the men and women with serious and chronic disabilities. Provision of adequate mental health and substance abuse treatment as well as services for persons and families with AIDS ranks as a high priority in surveys conducted for the Federal Plan. Often these persons have lost contact with their families, friends or other forms of support that might guide them through difficult times. Clearly, more can - and must – be done to provide effective community based treatment for these populations.

Montgomery County

There is very little information available on the homeless population in the Houston Metropolitan Area and Montgomery County in particular. The most recent study of the homeless problem in the Houston Metropolitan Area was conducted by Ringheim (1993). In “Investigating the Structural Determinants of Homelessness: The Case of Houston,” she states that most of the poor are renters and nearly all the persons that have become homeless most recently are renters rather than owners. Ringheim found that the number of homeless persons in the Houston area has increased because rents, in dollars controlled for inflation, have increased while income in dollars controlled for inflation, has remained constant. This trend coupled with the small supply of low-cost housing in the area has resulted in low-income renters competing for a very limited supply of low-cost housing units with renters from all incomes. As the mismatch between rents of existing units and income for the low-income population has become more severe, households have been forced to choose between housing and more pressing necessities, such as food. This increasing rent burden eventually leads to homelessness.

Many homeless persons and families do not have reliable transportation. The lack of reliable private transportation and the lack of public transportation in Montgomery County makes many of the facilities and services in other communities inaccessible to homeless individuals and families. The homeless problem in Montgomery County is not highly visible. As a result, homeless individuals and families are forced either to seek shelter and services elsewhere in the metropolitan area or to share living space with families and friends.

Persons Threatened with Homelessness

Currently there is no survey information available on the characteristics and the special needs of families and individuals within Montgomery County's service area threatened with residing in shelters or being unsheltered. In addition, information is not available on individuals, including persons being released from mental, penal, or substance abuse facilities who are in imminent danger of residing in shelters or being unsheltered because they lack access to permanent housing and do not have an adequate support network. Very, very low-income persons and families have the highest risk of becoming homeless.

Many of the facilities and programs that provide assistance to the homeless also provide services to help individuals and families at risk of becoming homeless. The general types of services provided by these agencies are listed below.

- Crisis intervention for battered spouses and children and victims of sexual assault.
- Direct financial assistance for payment of rent, mortgages, utilities
- Food and clothing
- Housing counseling
- Information and referral services
- Job counseling and training
- Legal advocacy
- Psychiatric counseling and treatment
- Substance abuse counseling
- Transportation to other shelters, medical appointments, job interviews, etc.
- Batterer treatment support groups

Strategy

Problem: Fall-Through to Literal Homelessness:

The size of the marginally homeless population relative to existing shelter capacity underscores the risk of fall-through to literal homelessness. The number of marginally homeless people is very large relative to the number of literally homeless people and to the capacity of existing shelters. Thus, small rates of fall-through from marginal to literal homelessness translate to large increases in the number of literally homeless people and demand for shelter.

According to the 1989 McKinsey study, there are clear indications that fall-through is occurring. About one-half of the marginally homeless people interviewed indicated that they were in the first year of their episode of homelessness. Further, at least 5 percent of the current literally homeless population were marginally homeless a year ago. In sum, an improving economy provides an opportunity to reduce the number of homeless people, but proactive steps are required to capitalize on the opportunity.

Solution(s): Prevent Homelessness

1) Educate the public about homelessness, prevention through early intervention and viable means of assisting the homeless through Montgomery County Homeless Coalition.
2) Prevent homelessness by providing counseling, emergency rent and utilities assistance.

Problem: Services to Unsheltered Homeless Population

Because of the limited number of bed spaces in Montgomery County's homeless shelters, there are homeless individuals who are living in places other than a homeless shelter. The existence of these individuals indicate a need for alternative programs to serve the unsheltered homeless population.

Solution(s): Outreach

1) Conduct coordinated on-going homeless outreach providing services on site to difficult to reach homeless individuals and families. Target encampment areas and sites known to attract documented and undocumented labor pool workers.
2) Provide identification cards, legal assistance, fresh clothing and access to showers on site.
3) Provide mobile outreach units to serve outlying areas of Montgomery County.

Problem: Lack of Transitional Housing & Services

Due to the dearth of transitional housing, SRO's, and affordable housing, persons struggling to exit homelessness remain in emergency shelters for months. By expanding transitional and supportive housing opportunities, emergency shelters can become once again a lack of refuge in an emergency.

Solution(s): Expanded Transitional Housing, SRO's, & Services

1. Develop transitional housing, SRO's, and low cost permanent housing.
2. Require investors requesting tax credit support to dedicate one percent of housing units to be used by non-profit agencies for the provision of transitional housing.
3. Promote the building of SRO's and other affordable housing by private developers.
4. Provide adequate and appropriate support services for successful transition.
5.

In moving from a desire to work all the way to increased or full self-sufficiency, homeless people as a group experience three stages.

1) <u>Rehabilitation:</u> Achieving a sufficient level of physical and psychological

functioning and sufficient freedom from substance-related impediments to have some potential for employment success.

2) Support; Receiving an array of basic services (e.g. transportation, food, shelter) that allow a homeless person to progress until opportunities to exit homelessness can be captured.

3) Transition: Participating in activities and receiving services that help a homeless person achieve and sustain self-sufficiency (e.g. training, transitional housing, low-cost housing).

I. Rehabilitation Stage

Mental Health Care

1) Expand the mental health system to serve individuals, children, and families with varying levels of mental health needs.
2) Perform aggressive mental health outreach, needs assessment, crisis intervention, and stabilization for adults and children.
3) Provide preventive mental health outreach to school age children.
4) Co-locate mental health services at shelters, jails, neighborhood centers and other accessible sites to facilitate delivery of care.
5) Integrate mental health care needs with case management services.

Substance Abuse Treatment

1) Expand the capacity of treatment programs for medically indigent substance abusers.
2) Provide a safe haven for homeless substance abusers who seek treatment.

Health Care

1) Coordinate mobile outreach units with the County health department, private industry, and universities to provide mental and physical health screenings, immunizations and other health services.
2) Integrate health care needs with case management services.
3) Create shelter/transitional living space for individuals with communicable diseases.

II. Support Stage

Child Care

1) Expand capacities of child care facilities providing care for homeless children.
2) Enable child care facilities to better care for children with health or other special needs.
3) Provide extended hours child care for parents who must work late hours.

Transportation

1) Expand current American Red Cross Transportation services to serve homeless individuals.
   Locations: Shelters, social service offices, medical centers/clinics,child care
2) Provide supervised transportation to and from day care centers and shelters.

III. Transition Stage

Vocational Training/Job Placement

1) Maximize on-the-job training opportunities, job creation, job placement, and employment retention training to serve persons with various job skill levels.
2) Create a business advisory council composed of private industry leaders to promote the employment of homeless individuals.
3) Maximize temporary employment opportunities.

Education

1) Make GED, adult education, and parenting programs available to all shelters.
2) Create resource guides of all vocational training, placement and educational programs.
3) Coordinate with schools, parents, and service providers to maintain educational stability for homeless children.
4) Expand residential education programs for teenagers.

Problem: Limited Means to Exit Homelessness

Affordable housing is attainable in Montgomery County given the appropriate start. Persons transitioning out of homelessness can successfully exit with money management training, progressive acclimation to self-sufficiency, and continued follow-up.

Under this initiative, homeless persons will contract with agencies participating in the initiative to access all means to exist homelessness. They will be taught the skills necessary to maintain their finances, jobs and daily lives. Persons who are ready for housing will be provided with rent subsidies that will gradually decrease and terminate within a reasonable, agreed upon time (approximately one year). Those who have greater difficulty transitioning will be assisted in customized ways that will best improve their chances for success. Regular follow-up will continue until they are independent.

Solution(s): Provide Necessary Support for Successful Exit

1) Create loan program for housing and utility deposits.
2) Supplement furniture costs.
3) Fund a limited subsidized rent program.

To ensure successful transitions, the following elements will also be implemented to coordinate the three stages.

Case Management/Counseling

1) Require participants to commit to a case management contract and work cooperatively to obtain all necessary services to work towards self-sufficiency.
2) Train Mentors (formally homeless individuals) and other volunteers to provide supplementary case management and follow-up.
3) Continue to follow-up with participants throughout the process.

Central Information System

1) Integrate area shelters, transitional living centers, and homeless service agencies in the Montgomery County area through a 24 hour centralized information system.
2) Participants may register into the service system through any one homeless service agency.
3) Participants will maintain continuity by working with only one case manager at any point in the continuum.

Quality Assurance

1) Evaluate continued success of system using a core of stakeholders (homeless, formerly homeless, service providers, community representatives, etc.).
2) Communicate with service providers about current available resources, program improvements and assessment tools.
3) Continue collaboration efforts for comprehensive plan funding.

Conclusion

Despite the serious obstacles confronting the homeless population in Montgomery County, service providers understand these obstacles and are motivated to assist homeless persons and their families. The first step in this process has been to establish this Continuum of Care Strategy. A continuum of care begins with a point of entry in which the needs of a homeless individual or family are addressed.

The second step is to refer the homeless individual or family to permanent

housing or to transitional housing where supportive services are provided to prepare them for independent living. The goal is to ensure that homeless individuals and families move from homelessness to self-sufficiency, housing and independent living.

Emergency Solutions Grants (ESG)
Subrecipient Guidebook

Updated 7/2023

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PURPOSE AND OVERVIEW

Montgomery County receives a yearly entitlement allocation through the U.S. Department of Housing and Urban Development (HUD) under the Emergency Solutions Grant (ESG). The ESG program is funded and regulated at the federal level by the U.S. Department of Housing and Urban Development (HUD) and administered locally by Montgomery County, Texas. The ESG Program is governed under the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act).

The County, with the help of its Subrecipients, uses those funds to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The Office of Community Development is committed to helping its Subrecipients maximize the use of ESG funds and ensuring compliance with ESG program regulations and related federal statutes.

As a Subrecipient, you are agreeing not only to provide specified services, but also to comply with the ESG program requirements and responsibilities established by the U.S. Department of Housing and Urban Development (HUD) and Montgomery County, Texas. This guidebook has been developed to help facilitate your understanding of these requirements and to provide information you will need to successfully execute your ESG award. The principles presented in this manual represent the minimum level of procedures that must be the foundation of your accounting, internal control, and financial reporting systems, as required by federal regulations and County policies.

This manual is meant to assist your agency in complying with the provisions of the agreement, but does not replace the provision outlined in the agreement. This manual is intended as a reference tool for agencies operating the ESG program and should not be construed as a substitute for regulations, FAQs, or guidance issued by HUD. All agencies must familiarize themselves with the ESG regulations set forth in 24CFR Part 576, FAQs, and guidance released by HUD to ensure they are meeting all ESG Program requirements.

In the event that new procedures or polices are implemented during the contract period, Community Development staff will provide timely notification and technical assistance. Montgomery County reserves the right to revise this manual at any time, for any reason to ensure accurate information is provided.

GENERAL CONTACT INFORMATION

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DEFINITIONS

Chronically Homeless – a homeless individual with a disability who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter, or in an institutional care facility if the individual has been living in the facility for fewer than 90 days and had been living in a place not meant for human habitation, a safe haven, or in an emergency shelter immediately before entering the institutional care facility. In order to meet the "chronically homeless" definition, the individual also must have been living as described above continuously for at least 12 months, or on at least 4 separate occasions in the last 3 years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least 7 nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven.

Continuum of Care (CoC) – the group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers; victim service providers; faith-based organizations; governments; businesses; advocates; public housing agencies; school districts; social service providers; mental health agencies; hospitals; universities; affordable housing developers; law enforcement; organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of outreach, engagement, and assessment; emergency shelter; rapid re-housing; transitional housing; permanent housing; and prevention strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area.

Emergency Shelter – 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.

Family – is used in this document in accordance with longstanding local terminology for projects that serve households with children. A family is a household that includes at least one parent or guardian and one child under the age of 18, a pregnant woman, an individual in the process of securing legal custody of any person who has not attained the age of 18 years, an individual with a dependent child over the age of 18 who is mentally or physically disabled, or an individual who has actual custody of and is responsible for the care of a child.

> Note: The HUD definition of ***family*** includes, but is not limited to, a group of persons residing together, regardless of actual or perceived sexual orientation, gender identity, or marital status. A child who is temporarily away from the home because of placement in foster care is considered a member of the family. Any group of people that present together for assistance and identify themselves as a

family, regardless of age or relationship or other factors, are considered to be a family and must be served together as such.1 The San Francisco Homeless Response System accepts all families as they present, in accordance, with HUD requirements.

Homeless Management Information System (HMIS) – the information system designated by the Continuum of Care to comply with the HUD's data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals, families, and persons at-risk of homelessness.

Homelessness Prevention – Housing relocation and stabilization services and short-and/or medium- term rental assistance as necessary to prevent the individual or family from moving to an emergency shelter, a place not meant for human habitation, or another place described in Homeless Category 1.

Household means an individual or family receiving assistance as a single unit (see also the "*Family*" term).

Private Nonprofit Organization – a private nonprofit organization that is a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1986 and which is exempt from taxation under subtitle A of the Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance. A private nonprofit organization does not include a governmental organization, such as a public housing agency or housing finance agency.

Program Participant – an individual or family who is assisted under ESG program.

Rapid Re-Housing – Housing relocation and stabilization services and/or short-and/or medium- term rental assistance as necessary to help individuals or families living in shelters or in places not meant for human habitation move as quickly as possible into permanent housing and achieve stability in that housing.

Service Area (applicable to Homelessness Prevention only) – Montgomery County's service area includes all areas within Montgomery County.

Street Outreach – Essential Services related to reaching out to unsheltered homeless individuals and families, connecting them with emergency shelter, housing, or critical services, and providing them with urgent, non-facility-based care.

Subrecipient – a unit of general-purpose local government or private nonprofit organization to which a recipient makes available ESG funds.

Victim Service Provider – a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking. This term includes rape crisis centers, battered women's shelters, domestic violence transitional housing programs, and other programs.

PROGRAM COMPONENTS AND ACTIVITIES

ESG funds may be used for five (5) Program Components:

1. Street Outreach
2. Emergency Shelter,
3. Homelessness Prevention
4. Rapid Re-Housing Assistance, and
5. Homeless Management Information System (HMIS)

Funds may be used for Administrative activities as well, but are capped at 7.5% combined. This administrative cap is shared between MCCD and its Subrecipients.

The amount allocated for Prevention and Rapid Re-Housing must be at least forty percent (40%) of the recipient's fiscal year grant. The amount that may be used for Street Outreach and Emergency Shelter activities cannot exceed sixty percent (60%) of the recipient's fiscal year grant. These rules do not apply to Subrecipients individually as the combined award totals are used to calculate this percentage.

Please refer to "Attachment A" for the "ESG Program Components Quick Reference guide.

Street Outreach Component

These activities are designed to provide essential services to unsheltered homeless people by connecting them with emergency shelter, housing, and/or critical health services, and provide them with urgent, non-facility-based care. Component services generally consist of:

- Engagement
- Case Management
- Emergency Health & Mental Health Services
- Transportation

Individuals/Families who meet the HUD criteria for the following definitions are eligible for Street Outreach services:

- Homeless Category 1: Literally Homeless
- Homeless Category 4: Fleeing/attempting to flee DV (where the individuals/families also meet the criteria for Category 1)

In addition, individuals and families must be living on the streets or other places not meant for human habitation **and** be unwilling or unable to access services in an emergency shelter.

Refer to 24 CFR part 576.101 for additional information.

Emergency Shelter Component

ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for

homeless families and individuals, and operating emergency shelters. The following are eligible activities:

Renovation of a building to serve as an emergency shelter. The site must serve homeless persons for at least 3 or 10 years, depending on the cost and type of renovation (major rehabilitation, conversion, or other renovation). Note: Property acquisition and new construction are ineligible.

Essential Services for individuals and families in emergency shelter. Component services generally consist of 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, and transportation.

Shelter Operations, including maintenance, rent, security, fuel, equipment, insurance, utilities, and furnishings.

Relocation assistance for persons displaced by a project assisted with ESG funds.

Homeless clients entering into the shelter system must meet the HUD criteria for the following definitions:

- Homeless Category 1: Literally Homeless
- Homeless Category 2: Imminently at-risk of homelessness
- Homeless Category 3: Homeless under other federal statute and
- Homeless Category 4: Fleeing/attempting to flee DV (as long as the individuals/families fleeing or attempting to flee DV are **not** also literally homeless. If the individuals/families are also literally homeless they would actually qualify for rapid re- housing instead.)

For specific requirements and eligible costs, see 24 CFR 576.102.

Homeless Prevention Component

ESG funds may be used to provide housing relocation and stabilization services and/or short-and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the "homeless" definition in 24cfr 576.2. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing.

Component services and assistance generally consist of short-term and medium-term rental assistance, rental arrears, rental application fees, security deposits, advance payment of last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, mediation, legal services, and credit repair.

Individuals/families, who meet the HUD criteria for the following definitions, are eligible for Homelessness Prevention assistance:

- At Risk of Homelessness
- Homeless Category 2: Imminently at-risk of homelessness
- Homeless Category 3: Homeless under other federal statute and
- Homeless Category 4: Fleeing/attempting to flee DV (as long as the individuals/families fleeing or attempting to flee DV are **not** also literally homeless. If the individuals/families are also literally homeless they would actually qualify for rapid re- housing instead.)

Additional eligibility requirements related to Homelessness Prevention include:

- **Proof of residence** within Montgomery County
- **Total household income below 30 percent of Area Median Income** (AMI) for the area at initial assessment. Clients must provide documentation of household income, including documentation of unemployment and zero income affidavit for clients without income.

For specific requirements and eligible costs, see 24 CFR 576.103, 576.105, and 576.106.

Rapid Re-Housing Component

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.

Component services and assistance generally consist of short-term and medium-term rental assistance, rental arrears, rental application fees, security deposits, advance payment of last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, mediation, legal services, and credit repair.

Individuals/families, who meet the HUD criteria for the following definitions, are eligible for Rapid Re-Housing assistance:

- Homeless Category 1: Literally homeless
- Homeless Category 4: Fleeing/attempting to flee DV (as long as the individuals/families fleeing or attempting to flee DV are **also** literally homeless).

For specific requirements and eligible costs, see 24 CFR 576.104, 576.105, and 576.106.

HMIS Component

Grant funds may be used for certain Homeless Management Information System (HMIS) and comparable database costs. ESG funds may be used to pay the costs of contributing data to the HMIS designated by the Continuum of Care including:

- Purchasing or leasing computer hardware;
- Purchasing software or software licenses;
- Purchasing or leasing equipment, including telephones, fax machines, and furniture;
- Obtaining technical support;

- Leasing office space;
- Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
- Paying salaries for operating HMIS, including:
    a. Completing data entry;
    b. Monitoring and reviewing data quality;
    c. Completing data analysis;
    d. Reporting to the HMIS Lead;
    e. Training staff on using the HMIS or comparable database; and
    f. Implementing and complying with HMIS requirements;
- Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act;
- Paying staff travel costs to conduct intake; and
- Paying participation fees charged by the HMIS Lead, if the recipient or subrecipient is not the HMIS Lead. The HMIS Lead is the entity designated by the Continuum of Care to operate the area's HMIS.

If the subrecipient is a victim services provider or a legal services provider, it may use ESG funds to establish and operate a comparable database that collects client-level data over time (*i.e.,* longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS.

Activities funded under this section must comply with HUD's standards on participation, data collection, and reporting under a local HMIS.

For specific requirements and eligible costs, see 24 CFR 576.107.

Administration

The recipient may use up to 7.5 percent of its ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. This does not include staff and overhead costs directly related to carrying out activities eligible under 24 CFR 576.101 through 576.107, because those costs are eligible as part of those activities. Eligible administrative costs include:

1. General management, oversight, and coordination:
    - Salaries, wages, and related costs of the staff
    - Travel costs
    - Administrative services performed under third-party contracts or agreements
    - Rental or purchase of equipment
    - Insurance
    - Utilities
    - Office supplies
    - Rental and maintenance (but not purchase) of office space

2. Training on ESG requirements- costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings.

3. Consolidated plan- costs of preparing and amending the ESG and homelessness-related sections of the consolidated plan.

4. Environmental review- costs of carrying out the environmental review responsibilities under 24 CFR 576.407.

For specific requirements and eligible costs, see 24 CFR 576.108.

PROGRAM REQUIREMENTS

Coordinated Assessment

All providers are expected to participate in the coordinated assessment system. The system consists of an electronic assessment system housed in the HMIS. Coordinated assessment uses a common housing assessment to ensure that all homeless individuals are referred to the appropriate housing intervention. Coordinated assessment will be used as each housing intervention supported by ESG.

Homelessness Status & Documentation

Agencies are required to obtain documentation at project intake of homeless or at-risk of homelessness status.

Within the homeless definition, there are four categories of homelessness:

1. Literally Homeless
2. Imminent Risk of Homelessness
3. Homeless Under Other Federal Statutes
4. Fleeing/Attempting to Flee Domestic Violence

For individuals and families who do not meet the definition of "homeless" under any of the categories established in the Homeless Definition final rule, the McKinney-Vento Act was amended to allow homeless prevention assistance to be provided to persons who are "at risk of homelessness." There is certain criteria for defining individuals and family who may qualify as at risk of homelessness under three categories:

1. Individuals and Families
2. Unaccompanied Children and Youth
3. Families with Children and Youth

Refer to “Attachment B” for a quick guide to Homeless and At-Risk of Homeless Definitions.

Documentation of the client’s status must be kept in the client’s file and available for monitoring by MCCD and HUD. There are three types of verification that shall be used:

1. Third-party documentation
2. Intake worker observations
3. Certification from the person seeking assistance.

Refer to “Attachment C” for the Chronic Homelessness Documentation Checklist.

For other specific requirements see 24 CFR 576.500 (b).

Homeless Participation

The Subrecipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the Subrecipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).

To the maximum extent practicable, the subrecipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

Fair Market Rent

FMRs are used as a guide to determine the level of HUD subsidy for various programs such as the Emergency Solutions Grant (ESG). Emergency Solutions Grant short- and medium-term rental assistance can be provided to eligible program participants only when the rent, including utilities (gross rent) for the housing unit does not exceed the FMR established by HUD for the MSA and complies with HUD's standard of rent reasonableness. HUD may consider waiver requests from ESG grantees to increase these rent limits.

For the latest FMR please refer to the following link:
https://www.huduser.gov/portal/datasets/fmr.html

Periodic Re-Certification

Subrecipients who provide Homelessness Prevention and Rapid Re-Housing assistance are required to re-certify clients based on the schedule listed below. At that time, a case manager may decide to extend, decrease or discontinue providing assistance.

Program Component	Schedule	Re-certification Criteria
Homelessness Prevention	Every 3 months	For both HP and RRH, to continue to receive assistance, clients must • be at or below 30% AMI AND • lack sufficient resources and support networks necessary to retain housing without ESG assistance. Families are required to provide information on income, assets greater than $5,000, deductions, and family composition during the recertification process.
Rapid Re-Housing	Annually	

Fair Housing Act Compliance

The Department of Housing and Urban Development ("HUD") is responsible for enforcing the Federal Fair Housing Act (the "Act"), which prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, familial status, and disability. One type of disability discrimination prohibited by the Act is the refusal to make reasonable accommodations in rules, policies, practices, or services when such accommodations may be necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling. HUD and DOJ frequently respond to complaints alleging that housing providers have violated the Act by refusing reasonable accommodations to persons with disabilities. State and federal laws require entities to make reasonable changes to policies, practices, procedures and/or physical changes to housing units and/or buildings if such changes are necessary to enable a person with a disability to have equal access to the housing and/or building. Please note that such changes must be necessary as a result of the person's disability. To read more about what this policy entails refer to the link below:
https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_act_overview.

Agencies receiving ESG Funds must have a policy in place for program recipients to request reasonable accommodations.

Equal Access to Housing Final Rules

On February 3, 2012, HUD published a final rule in the Federal Register entitled Equal Access to Housing in HUD Programs regardless of Sexual Orientation or Gender Identity. The rule creates a new regulatory provision that generally prohibits considering a person's marital status, sexual orientation, or gender identity (a person's internal sense of being male or female) in making housing assistance available. Lesbian, gay, bisexual, and transgender people are guaranteed equal access to all housing for all types of housing (affordable, permanent, transitional and emergency) funded through HUD.

In addition to the final rule on Equal Access to Housing, HUD published a final rule in the Federal Register entitled "Equal Access in Accordance with an Individual's Gender Identity in Community Planning and Development Programs". This rule was published on September 21, 2016. This rule ensures that each individual in accordance with their gender identity will have equal access to housing and shelter programs administered by HUD. This rule creates a new regulatory provision that requires those entities that are receiving any HUD funding grant equal access to facilities, benefits, accommodations and services to individuals in accordance with the individual's gender identity and in a manner that affords equal access to the individual's family.

Match Requirement

Recipients must match grant funds with an equal amount of contributions, which may include cash, donated buildings or materials, and volunteer services. Match requirements must be met on an annual basis. All costs paid for with matching funds must be for activities that are eligible under the ESG program.

Cash match refers to funds that are received by the program from another source and used to provide eligible activities in the project. A program may use funds from any source, including any other federal sources (excluding Continuum of Care Program funds), as well as state, local, and private sources, provided that funds from the source are not prohibited by law to be used as a match. Match may not be double counted, i.e., used as a match for any other federally assisted project or program.

In-Kind match refers to real goods, services, activities, or other non-cash resources that are provided to the program by another entity and constitute eligible activities:

- Programs may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been eligible.
- Before grant execution, services to be provided by a third party must be documented by a Memorandum of Understanding (MOU) between the recipient or subrecipient and the third party that will provide the services. The MOU should adhere to the following:
    - Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the program operator's organization.
    - The cost of donated supplies or equipment may not exceed the fair market value of the property at the time of the donation.
    - The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party to provide the services, the specific services to be provided, the profession of the persons providing the services, and the hourly cost of the services to be provided.
- During the term of the grant, the program must keep, and make available for inspection, records documenting the service hours provided. The records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

For specific match requirements, see 24 CFR 576.201

GRANT AGREEMENTS

Your Subrecipient Agreement with the County includes a comprehensive statement of the goals, objectives, and measurable outcomes of the specific services or project to be provided by your agency. In addition, the Subrecipient Agreement specifies the reports and documentation required for verification of compliance. This manual is meant to assist your agency in complying with the provisions of the Subrecipient Agreement, but does not replace the provisions outlined in the Subrecipient Agreement. Should there be any disagreement between your Agreement and this manual, the provisions contained within the Subrecipient Agreement will take precedence. Unless specified otherwise, the Commissioners' Court shall have the authority to represent the County regarding the terms and conditions of your agreement.

Agreement Provisions

Subrecipient's compliance with applicable requirements is usually covered through a written agreement. The following general requirements are applicable:

- All ESG requirements are applicable to subrecipients.
- Procurement by the subrecipient must follow the open and competitive requirements of the federal procurement code.
- Uniform administrative requirements in OMB Circular A-87 and A-133 must be met.
- Other Program Requirements: The Agreement must also specify that the subrecipient will carry out its activities in compliance with the requirements of Subpart K of 24 CFR 576, except, however, that the subrecipient does not assume the grantee's environmental responsibilities or the responsibility for initiating the environmental review process under 24 CFR Part 52.

Executing the Subrecipient Agreement

The Finance Coordinator will review the proposed agreement with the subrecipient agencies. The County will transmit three copies of the agreement to the Subrecipient. It is the Subrecipient's responsibility to review the agreement and to input any required information with accuracy. The subrecipient signs and attests all copies of the agreement.

All copies with original signatures must be returned to the County. After the County executes the contract, the Finance Coordinator will send one copy to the subrecipient who should retain the agreement in the file.

Agreement Amendments

In case of any changes to the scope of work, budget, timeframe (including extensions), etc. the subrecipient is required to inform the County. Community Development staff will determine if the substantial amendment is necessary and will review the request. The subrecipient will be informed about the determination, but no changes should be made to the project before the Subrecipient's amendment request is approved.

Agreement Extensions

All projects/activities must be completed, and funds expended by September 30 of the program year.

Unspent funds cannot be carried forward and are forfeited without an approved extension from Montgomery County.

Requests and justification for a time extension to your contract must be submitted to the Community Development Director no later than September 1.

As a minimum, the request for contract extension must include the following elements:

1. Amount allocated;
2. Amount reimbursed;
3. Amount remaining;
4. Reason/justification for request; and
5. Amount of extension time requested to fully expend the remaining funds.

FINANCIAL MANAGEMENT

Maintenance of adequate documentation for ESG funded activities is critical to the effectiveness and overall performance of your program. Financial management and reporting requirements for ESG Subrecipients are designed to ensure that Subrecipients' financial management systems meet the following minimum standards:

- Provides effective control over the accountability for all funds, property, and other assets,
- Ensures "reasonableness, allowability, and allocability" of costs and verify that expenses have not violated any federal restriction or prohibitions,
- Permits the accurate, complete, and timely disclosure of financial results in accordance with reporting requirements of the grantee or HUD, and
- Minimizes the time elapsed between transfer of funds from the U.S. Treasury and disbursement to 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:

  1. authorization to execute a transaction;
  2. recording the transaction; and
  3. 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

Sub-recipients must have accounting records that adequately identify the sources and application of ESG funds. Simply stated, your organization'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.

For ESG funds, records must contain reliable and up-to-date information. The information should at least include:

- Federal grants received by the sub-recipient.
- Current authorizations and obligations of ESG funds.
- Unobligated balances (funds remaining available for distribution).
- Assets and liabilities.
- Program Income (if any).
- Actual outlays or expenditures, with a breakdown of a) the grant program the funds were derived from and b) "eligible activity" which clearly indicate use of program funds are for eligible activities

Sources and Uses of Funds

For the ESG 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 ESG funds
- Un-obligated balances
- Assets and liabilities
- Program income
- Actual outlays and expenditures by grant program and eligible activity

Budget Controls

Subrecipients must have procedures in place to monitor obligations and expenditures against their approved budget(s) for ESG-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 ESG funds to subrecipients: the reimbursement method and the cash advance method. Montgomery County rarely uses 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 ESG 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 ESG 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. Community Development 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.

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 contact 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.

GENERAL FILE MANAGEMENT

Record Keeping

The federal government requires that all sub-recipients keep records for all ESG expenditures and beneficiaries. The general ESG standard for record keeping is that records must be accurate, complete, and orderly. If the expenditures incurred with federal funds are not adequately documents, the agreement with the County might be terminated. Your organization is required to establish and maintain at least three major categories of records:

Administrative records

Files and records that apply to the overall administration of your ESG activities. They include, but are not limited to, the following:

a. Project proposal (application)
b. Project agreement (Contract) with the County and any amendments
c. Environmental Review Record and Notice to Proceed
d. Quarterly Reports
e. Equal Employment Opportunity data
f. Project Correspondences
g. Legal files
h. Record of monitoring visits

Financial records

Files and records that apply to the financial management of the ESG activities. They include, but are not limited to, the following:

a. Chart of accounts
b. Accounting procedures manual
c. Accounting journals and ledgers
d. Payroll timesheets and activity logs along with check histories
e. Procurement documents such as contracts, bid advertisements, change orders, and contracts
f. Purchase orders
g. Invoices
h. Cancelled checks
i. Bank reconciliations
j. Copies of reimbursement requests sent to the County
k. Audit records
l. Any financial correspondence

Programmatic Files

These files document the activities undertaken with respect to specific individual beneficiaries. They include, but are not limited to, the following:

a. Progress reports
b. A full description of each activity assisted with ESG funds
c. Program measurable goals and expectations
d. Documentation showing that all necessary determinations required for the eligibility of certain activities was obtained

e. Document compliance with the program rules regarding any change of use of real property acquired or improved with ESG assistance
f. Demonstrate compliance with the program requirements regarding acquisition, displacement, relocation, and replacement housing
g. Detail the fair housing activities and equal opportunity compliance

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:

- Client application for assistance
- Homeless determination
- 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
- Financial assistance agreement
- Documentation of rent affordability
- Records of disbursements made

Records Retention

All ESG files must be maintained for a minimum of six 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 six (6) year period.

Access to Records

HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access Subrecipient agency program records. All ESG grantees are required to provide citizens with reasonable access to records regarding the current funded programs and past, consistent with applicable State and local laws regarding privacy and confidentiality.

All Subrecipient records pertaining to the ESG grant award shall be made available to Grantee, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

REPORTING REQUIREMENTS

All written reports and forms shall be submitted monthly to the Montgomery County Community Development Department no later than the 15th day of the month. Subrecipients may submit reports electronically via email or they may provide physical documents to the following:

Email: cdbg.mctx@mctx.org
or
501 North Thompson, Suite 200
Conroe, TX 77301

Said reports include, but are not limited to:

1. Monthly Financial Status & Fund Request
2. Monthly Progress Report
3. Monthly Employee Time & Activity Report (if applicable)
4. Annual Performance Report

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, match, and regular ESG grant funds
- Current encumbrances/obligations in addition to disbursements
- Unpaid requests for payment previously submitted at time of latest drawdown

In addition, a Subrecipient's accounting an record-keeping system must be able to support the data in (a) its drawdown requests, (b) its other financial and progress reports, and (c) any submissions necessary for the grantee's annual report to HUD.

Montgomery County ensures that Subrecipient activities are carried out in compliance with all applicable program requirements and that the program goals are on track with the objectives outlined in the Subrecipient agreement. Accurate record keeping is crucial to the successful management of ESG funded programs. Insufficient documentation can lead to delayed payments or monitoring findings, both of which can be difficult to resolve if records are missing, inadequate or inaccurate.

Programmatic Reporting

The Subrecipient is required to collect and report the following data:

- Total number of clients served
- Total number of clients who are female heads of households

- Total number of clients who are elderly (62+ years of age)
- Client Race
- Client income level (based upon current HUD income guidelines

Audit Standards

Non-profit organizations that expend $750,000.00 or more in a year in Federal awards (this includes all federal funds, not just from HUD) must have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR 200.501.

Non-profit organizations that expend less than $750,000.00 in a year in Federal awards are not required to have an A-133 audit for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the Government Accountability Office (GAO).

While the agency may not qualify for an A-133 Audit, it is extremely helpful if financial statements contain a grants reporting summary page, which lists all the grants and amounts the agency received during the fiscal year by Catalog of Federal Domestic Assistance (CFDA) number and the amount. Providing this information with the year end audit or financial statement, allows the County to determine if the agency conducted the proper type of audit based on the funds expended.

BUDGET AND ELIGIBLE EXPENDITURES

Budget Categories

Reimbursement will only be provided for allowable costs as approved by the County and must be directly related to the Grant. Reimbursements should be submitted on the basis outlined in the agreement between the County and Subrecipient. Expenditures that do not apply to the budgeted categories or that do not have a budget will not be reimbursed.

There are typically three cost categories within a general budget:

Personnel Costs

Personnel - Costs associated with the positions identified on the Staffing Plan. Costs should reflect the actual amount of time each position spends on the program.

*Federal funds cannot be used to pay for 100% of an Executive Director's salary. Please ensure that when receiving multiple funding sources this threshold is not exceeded. IRS employee rules must be applied before determining an employee's status or non-status. People who work for the agency are employees, people who provide training, consulting or are officers of the non-profit are not and cannot be employees of the agency. This is considered a conflict of interest. Employees must have all the pertinent federal deductions and taxes paid.

Fringe Benefits - Eligible payroll-related costs of health insurance, retirement fund contributions, FICA, Worker's Compensation, and other payments made on the behalf of the employee.

NOTE: Non-profit agencies are exempt from paying federal unemployment tax, although State unemployment tax applies. Non-profit agencies will not be reimbursed for any federal unemployment taxes you pay.

General Non-Personnel Costs

Supplies - Consumable commodities that have a useful life of one year or less and which are valued under $500, except for computer equipment, which must be inventoried and accounted for separately.

Direct Client Services – Work Cards, Sheriff Cards, rent, bus tokens, food, utilities, child care, and other program costs paid on behalf of clients.

Communication - Costs of telephone, telephone installation, leasing of phone equipment, and postage.

Printing -Cost of copying and printing, whether done in-house or through an outside printer; supplies such as paper or fluids for copy machine owned or leased for program use.

Utilities - Costs associated with gas, electricity, water, and trash removal.

Rent- Rental charges for real property; office space for program.

Insurance - Insurance-related costs required for the operation of the program.

Food/snacks – Eligible only for clients, and must be an integral part of the program; for example, groceries purchased for the shelter. Please contact the Finance Coordinator for guidance.

No costs which may be considered as entertainment in nature will be reimbursed with ESG funds. Food (except when eligible under circumstances described above), Awards ceremonies, trainings, banquets, holiday events, trophies, plaques, amusement park field trips, etc. are not an allowable expense. Please contact the assigned Financial Coordinator for further guidance on this issue prior to planning or expending ESG funds.

Specific Non-Personnel Costs

Equipment Rental - Costs for the rental of equipment, which is essential for the operation of the program.

Equipment Purchase - Purchase of equipment essential for the operation of the program in those instances where it is more cost effective to purchase equipment rather than rent it. Includes any item with a useful life of more than one year and a cost greater than $500. Purchase of equipment requires prior County approval.

Contracted Services - Professional and technical services not performed by staff.

NOTE: Non-profit agencies should be tax exempt and agencies will not be reimbursed for any federal or state taxes you pay on items.

Allowable Costs

The standards for determining the reasonableness, allowability, and allocability of costs incurred as part of ESG-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 ESG program.
- The cost is net of all applicable credits.

Eligible Costs

To be eligible for payment, costs must be in compliance with 2 CFR Part 200 and with the principles set forth below:

a. Be necessary and reasonable for the proper and efficient performance of the contract and in accordance with the approved budget. The County shall have final authority

to determine in good faith whether expenditure is "necessary and reasonable".

b. Conform to the limitations within the agreement, this manual and to any governing statutes, regulations and ordinances.
c. Be fully documented and determined in accordance with approved accounting procedures.
d. Not be included as a cost or used to meet cost sharing or matching requirements of any other funding source in either the current or a prior period.
e. Be the net amount of all applicable credits such as purchase discounts, rebates, sales or other income or refunds.
f. Document all costs by maintaining complete and accurate records of all financial transactions, including but not limited to: contracts, invoices, timecards, cash receipts, vouchers, canceled checks, bank statements and/or other official documentation evidencing in proper detail the nature and propriety of all charges.
g. Submit to the County, within fifteen (15) working days of the end of the preceding month, requests for reimbursement together with a summary of expenses on a form approved by the County supporting documentation.
h. Submit to the County at such times and in such forms as the County may require, statements, records, reports, data, and information pertaining to matters covered by the agreement or contract.

Ineligible Costs

a. Food: Completely ineligible except when it is an integral part of the program such as purchasing groceries for the shelter. Please contact the Finance Coordinator for guidance.
b. Bad debts: any losses arising from uncollectable accounts and other claims, and related costs.
c. Contingencies: contributions to a contingency reserve or any similar provisions for unforeseen events.
d. Contributions and donations.
e. Sales tax: Sales tax charged on any expenditures.
f. Entertainment: costs of amusements, social activities and incidental costs such as meals, beverages, lodging and gratuities relating to entertainment, or any political or lobbying activity.
g. Fines and penalties: costs resulting from violations of or failure to comply with Federal, State, and local laws and regulations.
h. Interest and other financial costs: interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith.
i. Membership expenses: costs of membership in any organization, which devotes a substantial part of its activities to influencing legislation.
j. Non-competitive subcontracts: payments under a subcontract not obtained under competitive bidding procedure, unless the County specifically waives the requirement for such a procedure.

Limitation of Expenditures

- The Subrecipient shall not expend funds provided under the contract prior to the commencement of the contract or subsequent to the suspension or termination of the contract.

- Expenditures shall be made in conformance with the approved budget and shall meet the criteria established for allowable costs.
- Expenditures shall be in direct support of the program that is the subject of the contract.
- The Subrecipient shall notify the Community Development Department in writing of any expenditure for items jointly used for any other program(s) and the expenditures shall be apportioned according to the percentage of direct use in the program.

Budget Revisions

Modifications to approved budget line items are allowable, but must be directly related to changes in program services and activities and may not increase the budget total.

To implement a budget modification the Subrecipient must submit a written request, which identifies the reasons for the adjustment. The request must be specific as to which line items are to be increased and which are to be reduced and must be specifically approved by the County in writing as a change to the written agreement or contract between the County and the Subrecipient.

The Community Development Department has the authority to grant or deny requests for budget revisions.

PROGRAM INCOME

Per 24 CFR 576.2, Program income shall have the same meaning provided in 2 CFR 200.307. Program income is the income received that is directly generated by a grant-supported activity. Some examples of program income include income from fees for services performed and rent/occupancy charges paid directly to the subrecipient by program participants

If applicable, program income shall be recorded separately and returned to Montgomery County for disposition. Upon approval by the County, income from the Project may be retained by the Subrecipient provided that written notification is given by the Community Development Department and that the income is used for the exclusive benefit of the ESG Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations.

REIMBURSEMENT PROCEDURES

ESG funds are paid to agencies on a ***reimbursement*** basis. Therefore, it is extremely important to verify the eligibility of an expense prior to expending your funds. Accuracy of submittals is important as errors slow down the process and delay payment.

When submitting a large payment request, please highlight the portions requested to be paid by the County in addition to utilizing either an excel spreadsheet or adding machine tape.

All source documentation must be included with the submittal of the Monthly Reimbursement Request (no later than the 15th of each month).

Reimbursement packets will be reviewed and approved by the Financial Coordinator and sent to the County Auditor to process for payment. Once the County Auditor has processed the reimbursement for payment it will be submitted to the Commissioners' Court for approval. Upon Commissioners' Court approval, the Treasurer's office will mail out all checks.

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 ESG 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:

Bookkeeping Journals and Ledgers

Provide accurate accounting for cash receipts, cash disbursements and cash balances. All cash, revenues and expenses must be reconciled to the general ledger. Back-up documentation for journal entries must be kept and properly filed. Documentation must include: invoices, bills and other receipts, deposit slips, bank statements, check stubs, check books, canceled checks, purchase orders, petty cash records and other verification as applicable.

Payroll Records

Payroll records will show actual gross earnings; net payroll and payroll deductions for each individual staff member by pay period. If an employee is paid by more than one fund or program, the payroll journal will need to reflect the distribution of time and money against each fund or program.

Back-up documentation must include:

a. Check history/Canceled paychecks*;*
b. Tax records;
c. Worker's compensation records;
d. Individual time sheets and activity logs.

Time Records

Time records should be kept indicating actual time worked, including types of time, such as sick leave, vacation leave, compensatory time, etc. Time sheets should be kept by the day and signed by the employee and supervisor.

Time sheets showing labor distribution and an activity log, which documents time spent on the project/program, must be kept for all grant funded employees. Copies of these must be submitted with reimbursement requests in addition to cancelled checks, payroll reports and general ledgers.

Quick Reference for Supporting Documentation

Salaries	Contract Employees	Construction Contract	General Purchases	Non-reimbursable items
• Employee time sheets & activity logs signed by employee & Supervisor • Payroll spreadsheets • Evidence of payment (canceled checks/warrants, direct deposit, bank statements, etc.)	• Copy of detailed contract • Invoice • Proof of payment	• Certified payrolls	• Invoices • Bill of Sale • Proof of Payment (copy of check/warrant, electronic payment receipts, bank statement, credit card receipts, evidence of direct deposits, etc.)	• Late charges • Fines • Penalties • Charges prior to contract term

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.

Subrecipient Monitoring Regulatory Requirement

- **24 CFR 576.501(b)**
- **Subpart J of 24 CFR Part 85** "Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor . . . subgrant- supported activities to assure compliance with applicable Federal requirements and that performance goals are achieved. Grantee monitoring must cover each program, function, or activity."

The contract compliance monitoring performed by Community Development 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 ESG funded.

Programmatic and Fiscal Monitoring Process

Community Development staff will conduct an on-going monitoring process in order to review the programmatic and financial aspects of your agency's activities. Community Development staff will review monthly reports and reimbursement requests submitted by your agency for compliance with federal regulations regarding the use of federal funds and the implementation of the program.

The monitoring process is oriented towards resolving problems, offering technical assistance, and promoting timely implementation of programs. To this end, Community Development staff may require corrective actions. Following are examples of significant findings that will trigger corrective action by your agency:

1. Services are not documented;
2. Goals are not being met;
3. Program files not in order;
4. Complaints by clients;
5. Required reports not complete, accurate, or submitted in a timely manner,
6. Funding not spent correctly.

Program and fiscal on-site monitoring may or may not be scheduled concurrently. In some cases, it may be necessary to perform a follow up monitoring visit.

The five basic steps to an onsite monitoring visit include:

1. ***Notification Call or Letter*** -Explains the purpose of the visit, confirms date, scope of monitoring and outlines the information that will be needed to conduct the review.

2. ***Entrance Conference*** - Introduces monitoring visit purpose, scope and schedule.
3. ***Documentation and Data Gathering*** - The County will review and collect data and document conversations held with staff, which will serve as the basis for conclusions drawn from the visit. This includes reviewing client files, financial records, and agency procedures.
4. ***Exit Conference*** - At the end of the visit the County will meet again with the key agency representatives to present preliminary results, provide an opportunity for the agency to correct misconceptions and report any corrective actions already in the works.
5. ***Follow-Up Letter*** - The County will forward a formal written notification of the results of the monitoring visit pointing out problem areas and recognizing successes. The agency will be required to respond in writing to any problems or concerns noted.

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.

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 and Fiscal Monitoring Reports

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.
c. A recommendation will accompany each finding explaining how the deficiency can be corrected.
d. 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.
e. Observations, if any, made regarding the agency's operation.
f. If findings are severe, the letter accompanying the report may place a hold on future reimbursements to the Subrecipient until the findings are cleared.

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
Attn: Finance Coordinator
501 N. Thompson St., Suite 200
Conroe, TX 77301.

The response should include:

a. A response to each individual finding and concern, if applicable.
b. Copies of any documentation to back up the response to the findings (copies of corrected employee monthly time reports, etc.

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.

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. 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 ESG 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 ESG funding after three (3) years.

CLOSE-OUT PROCEDURES

Close-out Documentation

The Subrecipient shall maintain a system of internal control in accordance with generally accepted accounting practices. Internal control consists of a plan or procedure to safeguard assets, check the adequacy and reliability of accounting data, promote operating efficiency, and assures compliance with appropriate laws and regulations. On or before 90 calendar days after termination of the agreement, the project coordinator should submit to the County an annual inventory update and a closeout financial report. All property, documents, data, studies, reports and records purchased or prepared by the Subrecipient under contract should be disposed of according to contract.

In the event the program terminates, copies of all records relating to the program or activity that are the subject of the contract shall be furnished to the County. Financial statements submitted by the Subrecipient to the County shall be accurate and correct in all respects. Should inaccurate reports be submitted to the County, the County may elect to have the Subrecipient secure the services of a licensed accounting firm. Cost of such accounting services are to be borne by the Subrecipient

Attachment A

Emergency Solutions Grants (ESG) Program Components Quick Reference

Emergency Solutions Grants (ESG) funds can be used to provide a wide range of services and supports under the five program **components**: Street Outreach, Emergency Shelter, Rapid Re-housing, Homelessness Prevention, and HMIS. Each component is described in the tables below, accompanied by a list of corresponding ESG activities and eligible costs. Note: Administration is a not a component, it is considered an activity.* **Always refer to the program regulations at 24 CFR Part 576 for complete information about all eligible costs and program requirements.**

Component: Street Outreach. These activities are designed to meet the immediate needs of unsheltered homeless people by connecting them with emergency shelter, housing, and/or critical health services. § 576.101	
Activity type: Essential Services	
Eligible costs:	
• Engagement • Case Management • Emergency Health Services	• Emergency Mental Health Services • Transportation • Services for Special Populations

Component: Emergency Shelter. These activities are designed to increase the quantity and quality of temporary shelters provided to homeless people, through the renovation of existing shelters or conversion of buildings to shelters, paying for the operating costs of shelters, and providing essential services. § 576.102			
Activity types:			
Essential Services	**Renovation (also includes Major Rehab and Conversion)**	**Shelter Operations**	**Assistance Required Under the Uniform Relocation and Real Property Acquisition Act of 1970 (URA)**
Eligible costs: • 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 • Services for Special Populations	Eligible costs: • Labor • Materials • Tools • Other costs for renovation (including rehab or conversion)	Eligible costs: • Maintenance • Rent • Security • Fuel • Equipment • Insurance • Utilities • Food • Furnishings • Supplies necessary for shelter operation • Hotel/Motel Vouchers	Eligible costs: • Relocation payments • Other assistance to displaced persons

Component: Rapid Re-Housing. These activities are designed to move homeless people quickly to permanent housing through housing relocation and stabilization services and short- and/or medium-term rental assistance. § 576.104

Activity types:

Rental Assistance**	Housing Relocation and Stabilization Services	
	Financial Assistance	Services Costs
Eligible costs: • Short-term rental assistance • Medium-term rental assistance • Rental arrears **Rental assistance can be project-based or tenant-based.	Eligible costs: • Rental Application Fees • Security Deposits • Last Month's Rent • Utility Deposits • Utility Payments • Moving Costs	Eligible costs: • Housing Search and Placement • Housing Stability Case Management • Mediation • Legal Services • Credit Repair

Component: Homelessness Prevention. These activities are designed to prevent an individual or family from moving into an emergency shelter or living in a public or private place not meant for human through housing relocation and stabilization services and short- and/or medium-term rental assistance. § 576.103

Activity types:

Rental Assistance**	Housing Relocation and Stabilization Services	
	Financial Assistance	Services Costs
Eligible costs: • Short-term rental assistance • Medium-term rental assistance • Rental arrears **Rental assistance can be project-based or tenant-based.	Eligible costs: • Rental Application Fees • Security Deposits • Last Month's Rent • Utility Deposits • Utility Payments • Moving Costs	Eligible costs: • Housing Search and Placement • Housing Stability Case Management • Mediation • Legal Services • Credit Repair

HMIS Component. These activities are designed to fund ESG recipients' and subrecipients' participation in the HMIS collection and analyses of data on individuals and families who are homeless and at-risk of homelessness. § 576.107

Activity type: HMIS

Eligible costs:
- Contributing data to the HMIS designated by the CoC for the area;
- HMIS Lead (as designated by the CoC) costs for managing the HMIS system;
- Victim services or legal services provider costs to establish and operate a comparable database.

***Administrative Activities. § 576.108**

Eligible costs are broadly categorized as follows:
- General management, oversight, and coordination
- Training on ESG requirements
- Consolidated Plan
- Environmental review

Attachment B



Homeless Definition

CRITERIA FOR DEFINING HOMELESS	**Category 1**	Literally Homeless	(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
	Category 2	Imminent Risk of Homelessness	(2) Individual or family who will imminently lose their primary nighttime residence, provided that: (i) Residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing
	Category 3	Homeless under other Federal statutes	(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: (i) Are defined as homeless under the other listed federal statutes; (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application; (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; and (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers
	Category 4	Fleeing/ Attempting to Flee DV	(4) Any individual or family who: (i) Is fleeing, or is attempting to flee, domestic violence; (ii) Has no other residence; and (iii) Lacks the resources or support networks to obtain other permanent housing

Homeless Definition

RECORDKEEPING REQUIREMENTS 	**Category 1**	Literally Homeless	• Written observation by the outreach worker; or • Written referral by another housing or service provider; or • Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in shelter; • For individuals exiting an institution—one of the forms of evidence above and: o discharge paperwork or written/oral referral, or o written record of intake worker's due diligence to obtain above evidence and certification by individual that they exited institution
	Category 2	Imminent Risk of Homelessness	• A court order resulting from an eviction action notifying the individual or family that they must leave; or • For individual and families leaving a hotel or motel—evidence that they lack the financial resources to stay; or • A documented and verified oral statement; and • Certification that no subsequent residence has been identified; and • Self-certification or other written documentation that the individual lack the financial resources and support necessary to obtain permanent housing
	Category 3	Homeless under other Federal statutes	• Certification by the nonprofit or state or local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute; and • Certification of no PH in last 60 days; and • Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved two or more times in the past 60 days; and • Documentation of special needs or 2 or more barriers
	Category 4	Fleeing/ Attempting to Flee DV	• *For victim service providers*: o An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker. • *For non-victim service providers:* o Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; and o Certification by the individual or head of household that no subsequent residence has been identified; and o Self-certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

At Risk of Homelessness

CRITERIA FOR DEFINING AT RISK OF HOMELESSNESS	**Category 1**	Individuals and Families	An individual or family who: (i) Has an annual income below 30% of median family income for the area; AND (ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the "homeless" definition; AND (iii) Meets one of the following conditions: (A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR (B)Is living in the home of another because of economic hardship; OR (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR (E) Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR (F) Is exiting a publicly funded institution or system of care; OR (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved Con Plan
	Category 2	Unaccompanied Children and Youth	A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute
	Category 3	Families with Children and Youth	An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

Attachment C

Chronic Homelessness Definition

This tool provides some sample recordkeeping tools for the Chronic Homelessness Definition. To review the exact language, please refer to 24 CFR Parts 91 & 578 and the HUD Exchange.

Recordkeeping Documentation Options Explained

3rd Party Documentation	 Documentation from HMIS/Comparable Database *Records must show entries/exits at Shelters.* *An answer of "Yes" to the question as to whether the individual is chronically homeless (Universal Data Element 3.917) is not sufficient.*	 Written observation by an outreach worker or Written referral by another housing or service provider	 Documentation from Institutions like Hospitals, Correctional Facilities, etc. *Must include records about stay the length of stay, signed by Clinician or other appropriate staff.*
Self Certification	 Signed certification by the individual seeking assistance describing how they meet the definition, which must be accompanied by the intake worker's documentation of the living situation and the steps taken to obtain evidence to support it. Remember that for each Project: • 100% of households served can use self-certification for 3 months of their 12 months, • 75% of households served need to use 3rd Party documentation for 9 months of their 12 months, and • 25% of households served can use self-certification as documentation for any and all months.		

When do you need third party documentation?

✓ Preferred to record all occasions of homelessness to document Chronic Homelessness.

✗ Not necessary to record breaks in homelessness, these can be based on self reports.

SAMPLE

Chronic Homelessness Documentation Checklist

An individual is defined by HUD as "Chronically Homeless" if they have a disability and have lived in a shelter, safe haven, or place not meant for human habitation for 12 continuous months or for 4 separate occasions in the last three years (must total 12 months). Breaks in homelessness, while the individual is residing in an institutional care facility will not count as a break in homelessness. Additionally, an individual who is currently residing in an institutional care facility for less than 90 days and meets the above criteria for chronic homelessness may also be considered chronically homeless. Lastly, a family with an adult/minor head of household who meets the above mentioned criteria may also be considered chronically homeless, despite changes in family composition (unless the chronically homeless head of household leaves the family).

Client Name:	**Date of Birth:**
Number in Household:	**Client Head of Household:** ☐ Yes ☐ No

Part 1: Current Housing Status

Client must currently be in one of these locations in order to be considered chronically homeless.

Client is currently residing:

☐ In Emergency Shelter

☐ On the Streets/Place not Meant for Human Habitation

☐ In the Safe Haven

☐ In an Institutional Care Facility (Where they have been for fewer than 90 days)

Start Date: _____	**End Date:** _____

Location Name/Address:

Current Housing Status Notes:

Part 2: Housing History												
	Month #1	**Month #2**	**Month #3**	**Month #4**	**Month #5**	**Month #6**	**Month #7**	**Month #8**	**Month #9**	**Month #10**	**Month #11**	**Month #12**
Mo./Yr.	(Current Month)											
Location *Check all that Apply*	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)	☐ Streets ☐ Shelter ☐ Safe Haven ☐ Inst. (<90 days)
Doc. Type *Check One* *(Except Self-Cert. select both)*	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence	☐ HMIS ☐ Obsv. By Outreach ☐ Comp. Database ☐ Discharge Paperwork ☐ Referral ☐ Self-Cert. ☐ Staff Doc. of Situation ☐ Doc. of steps to obtain evidence
Doc. Att.	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No	☐Yes ☐No

Break Mo./Yr. & Descr. or N/A	Break 1: Break 2: Break 3: If there are additional breaks please detail and attach.
Notes	

Self-Cert. Check	Does the documentation include more than 3 Months of Self-Certifications? * ☐ Yes ☐ No ** Please be advised that if you answered **YES**, that for at least 75% of the households assisted by a recipient in a project during an operating year, no more than 3 months can be self-certified. **Please check with you project administrator to ensure your project has not exceeded its self-certification cap.***
Key	*Mo. = Month, Yr. = Year, Inst. = Institution, Doc. = Documentation, Obsv. = Observation, Comp. = Comparable, Cert. = Certification, Descr. = Description*

Chronic Homelessness Documentation Checklist - Page 2 of 4 (Not including Attachments)

Part 3: Disability Status

The term homeless individual with a disability' means an individual who is homeless, as defined in section 103, and has a disability that

- *Is expected to be long-continuing or of indefinite duration;*
  - *Substantially impedes the individual's ability to live independently;*
  - *Could be improved by the provision of more suitable housing conditions; and*
  - *Is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury;*
- *Is a developmental disability, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002); or*
- *Is the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome.*

The head of household has been diagnosed with one or more of the following (check all that apply):

☐ Substance use disorder

☐ Serious mental illness

☐ Developmental disability

☐ Post-traumatic stress disorder

☐ Cognitive impairments resulting from brain injury

☐ Chronic physical illness or disability

☐ Other:

Documentation Attached:

☐ Written verification of the disability from a licensed professional;

☐ Written verification from the Social Security Administration;

☐ The receipt of a disability check; or

☐ Intake staff-recorded observation of disability that, no later than 45 days from the application for assistance, accompanied by supporting evidence.

Disability Notes:

Part 3: Disability Status

The term homeless individual with a disability' means an individual who is homeless, as defined in section 103, and has a disability that
• *Is expected to be long-continuing or of indefinite duration;*
  ○ *Substantially impedes the individual's ability to live independently;*
  ○ *Could be improved by the provision of more suitable housing conditions; and*
  ○ *Is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury;*
• *Is a developmental disability, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002); or*
• *Is the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome.*

Chronic Homelessness Documentation Checklist - Page 3 of 4 (Not including Attachments)

Part 4: Staff and Client Certifications

Client Certification:

To the best of my knowledge and ability, all the information provided in this document is true and complete. I also understand that any misrepresentation or false information may result in my participation being cancelled or denied, or in termination of assistance. It is my responsibility to notify _____ of any changes in my housing status or address in writing during program participation and I understand that my application may be cancelled if I fail to do so.

Client Name: (Printed)	Client Signature:	Date:

Staff Certification:

To the best of my knowledge and ability, all of the information and documentation used in making this eligibility determination is true and complete.

Staff Name: (Printed)	Staff Signature:	Date:
Staff Role:	**Agency:**	

Notes:

Chronic Homelessness Documentation Checklist - Page 4 of 4 (Not including Attachments)

Montgomery County Grants and Community Development

CHDO Capacity Policies & Procedures

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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 CHOO 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.

ln accordance with these stated purposes and goals, MCCD will only process applications consistent with the purposes and go;1ls 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 down payment 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 act1v1ty 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 l00 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 0MB 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 9 months of completion, it must be converted to rental units for the full Affordability Period.

PROCEDURE FOR ALLOCATING CHDO SET-ASIDE 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 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 Set-aside 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 Set-aside 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. l. Capacity to fund the project and pay staff
2. Likelihood of continued operation ·· ratio above I 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 regulations
3. Training history
4. Board of Directors
5. Strategic plan

A copy of the HOME P1'ogram 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 CHOO housing project and the project is consistent with local comprehensive plans and zoning ordinances. A CHOO 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 CHOO-eligible activities. Once CHOO proceeds have been reported and used once on HOME-eligible activities, there are no further HOME requirements. CHOO Proceeds stay with the CHOO 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, and 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 VII 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 HUDE 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 (ls 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 Home Buyer

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 CHOO-eligible HOME project. The development fee will not supplement the current project as CHDOs will receive the development fee upon completion of the current project.

NOTE: CHDOs will receive the development fee once to help grow and develop affordable housing in their jurisdictional area. Future development fees are contingent upon the CHDO submitting another fundable application to the HOME program within three years.

CONFLICT OF INTEREST REQUIREMENTS

Participants in a HOME CHDO project may have possible conflicts of interest, either individually or in connection with a family member or relative, that precludes them from participating in the program. HUD may grant an exception on a case-by-case basis.

Only MCCD may request an exception to a conflict of interest of HUD, and only after complete disclosure of the nature of the conflict at an advertised public hearing held for that purpose. The County Attorney's Office must issue an opinion that the interest for which the exception is sought does not violate federal, state, or local law. HUD will then review the information concerning disclosure, public hearing, and attorney's opinion.

The required public hearing, attorney's opinion, and request for exception by HUD should be described in the Applicant's Management Plan.

MCCD reserves the right not to request exceptions from HUD when deemed not in the best interests of the Department or County.

MONTGOMERY COUNTY COMMUNITY DEVELOPMENT

2012 HOME Program Evaluation Form

Applicant:

Project: _____

National Objective: _____

Amount HOME Funds Requested:_____ Total Project Cost: _____

Criteria:		Maximum Points	Actual Points
1.	Project is consistent with Consolidated Plan. If yes,		
	High priority	(25 pts)	____
	Medium priority	(10 pts)	____
	Low priority	(05 pts)	____
	No priority	(00 pts)	____
2.	Has the entity ever performed the proposed activity before? If yes, evaluate the result of this effort.	(05 pts)	____
	Excellent	(20 pts)	____
	Good	(15 pts)	____
	Adequate	(10 pts)	____
	Poor	(05 pts)	____
	Inadequate/No experience/Not Enough Information	(00 pts)	____
3.	Does the entity have experience with HOME or other federal programs?	(10 pts)	____
4.	Does the entity's staff appreciate the additional requirements and administrative burdens associated with federal funding (i.e.: staff must split their time between HOME and non-HOME functions and keep detailed records of time spent on specific activities)?	(10 pts)	____
5.	Is the entity familiar with the specific regulatory requirements associated with the proposed activity?	(10 pts)	____
6.	Does the entity have adequate administrative and fiscal structures in place to deal with regulatory requirements and HOME guidelines? (i.e.: record keeping. audits, etc.) If no, does entity recognize it's organizational weaknesses and has it developed a plan for upgrading these aspects of it's operations?		
	Excellent	(05 pts)	_____
	Good	(04 pts)	_____
	Adequate	(03 pts)	_____
	Poor	(02 pts)	_____
	Very Poor/Inadequate/ Not enough information	(00 pts)	_____

7.	Does the entity have qualified staff for all the necessary functions associated with the proposed activity/program?	(10 pts)		_____
8.	Is there adequate staff time available to manage the Proposed activity/program? If no, evaluate the entity's plan to fill these gaps in personnel.			
	Excellent	(05 pts)		_____
	Good	(04 pts)		_____
	Adequate	(03 pts)		_____
	Poor	(02 pts)		_____
	Inadequate/Very Poor	(00 pts)		_____
9.	Does the proposed activity/program description make sense?	(10 pts)		_____
10.	Do the delivery methods make sense?	(10 pts)		_____
11.	Has the need/problem been defined and documented?	(10 pts)		_____
12.	To what extent is the need/problem alleviated?			
	Totally	(10 pts)		_____
	Somewhat	(05 pts)		_____
	Not Affected	(00 pts)		_____
13.	Have the proposed activity/program objectives been defined and quantified?	(10 pts)		_____
14.	Is the proposed activity/program budget reasonable for HOME funding?	(10 pts)		_____
15.	Is the cost per HOME beneficiary reasonable? Number of beneficiaries _____ Total Costs_____Average Costs_____	(10 pts)		_____
16.	Does the entity have the ability to maintain and operate the proposed activity/program after the expenditure of HOME funds?	(10 pts)		_____
17.	Are matching funds a part of the proposal? If yes, what is the percent of the matching funds?			
	51% or more	(10 pts)		_____
	26% to 50%	(07 pts)		_____
	1% to 25%	(05 pts)		_____
18.	Has the entity been funded by Montgomery County Community Development before? If yes, please list most recent year, amounts and Activities funded and if current request is an Increase or decrease over last funding amount.		Yes No	
19.	How will the program be evaluated?			
	Sound evaluation tool or technique	(10 pts)		_____

	Verifiable statistics	(08 pts)	_____
	Random data	(05 pts)	_____
	The Director	(02 pts)	_____

20. How can we show we used these requested funds in the best way possible?

21.	Personal involvement with the program or Personal knowledge of the program by Board member.	(10 pts)	_____

Special Considerations/Site Visit _____
_____
_____
_____
_____

Evaluator: _____ Date Evaluated: _____

Issues to consider:
Cost-Benefit Ratio Additional Efforts Needed Completion Timetable
Fund Commitments in Place Health and Safety Issues Necessity/Need for Project Prior Commitments

TOTAL SCORE FROM THIS EVALUATOR: _____TOTAL OVERALL SCORE: _____

MONTGOMERY COUNTY

HUD HOME FUND

Down Payment Assistance Program

MONTGOMERY COUNTY
GRANTS & COMMUNITY DEVELOPMENT

501 N. Thompson, Ste. 200, Conroe, Texas 77301
www.mctx.org

Director - Grants & Community Development:
Rebecca Ansley

936-538-8060

cdbg.mctx@mctx.org

Program Administered by;

EASTER SEALS OF GREATER HOUSTON
1600 Lake Front Circle, The Woodlands, Texas 77380
www.eastersealshouston.org

Program Administrator:
Katy Thorstenberg

356-330-3904 (Office)
281-466-2855 (Fax)
kthorstenberg@eastersealshouston.org

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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

DEFINITION OF TERMS

Administration

The Program will be operated 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 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 five (5) year deferred or forgivable loan for new or pre-existing homes.

Affordability Period

Terms defined in the second lien Deed of Trust, second lien NOTE and borrower's application that require the home buyer 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 homebuyer is expected to pay for the mortgage payment plus all recurring consumer debts (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 and closing costs, that enable the homebuyer to purchase the property.

The maximum direct HOME subsidy is $12,600 per household.

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 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

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 (2nd) 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 (HOME) 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 two (2) months of 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, SSDI, SSI. The gross annual household income adjusted by household size cannot exceed 80% Area Medium Income for as set by HUD.

AMI %	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80%	52,200	59,650	67,100	74,550	80,550	86,500	92,450	98,450

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 a 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 assets in excess 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

Montgomery County Community DEVELOPMENT

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:

- Maximum Direct HOME subsidy is $12,600 per household
- Meet income guidelines (below 80% Area Median Income)
- Complete a HUD-Approved Homebuyer's Education Class
- Have not owned a home in the last 3 years
- Be a Citizen of U.S.A. or Permanent Resident Alien
- Purchase home in Montgomery County (outside the city limits of Conroe i.e., does not pay city of Conroe taxes)
- Maximum sales price: $265,000 Existing Home - $268,000 New Home
- Debt-to-income Housing ratio is 45% (mortgage payment & fixed debt)
- Qualify for a 30 year fixed-rate FHA, Conventional, USDA, or VA loan with a lender of your choice
- All properties must pass an HQS inspection conducted at program's expense. Properties built prior to 1978 are subject to a visual assessment for deteriorated paint (i.e., peeling, chipping, and flaking) surfaces at initial inspection of all interior and exterior painted surfaces to evaluate potential lead paint hazard. If the presence of deteriorated paint is determined, the property will not be considered eligible
- Double-wide Manufactured homes, not older than 15 years are allowable
- Subsidy covers down payment, closing costs & pre-paids, with no cash back to borrower at closing

AMI%	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
80%	$52,200	$59,650	$67,100	$74,550	$80,550	$86,500	$92,450	$98,450

**Assistance (Direct Home Subsidy) contingent upon availability of funds*

For more information, please call (346)330-3904 or (832)563-6575
E-mail: kthorstenberg@eastersealshouston.org
Visit our website: www.eastersealshouston.org

PROGRAM GUIDELINES

Applicant(s) Eligibility Requirements

- Total gross annual household income cannot exceed eighty (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 the definition of terms
- Borrower(s) including a non-purchasing spouse 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 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, appraisals, option fees or other loan fees paid by borrower.
- Applicant(s) may not have liquid assets in non retirement accounts in excess of two and one-half (2 ½) times the amount of the assistance received. 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 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. The USDA 502 Direct loan may be a term of 33 years.
- Applicant(s) must certify that they intend to occupy the property as their principal residence.
- All properties must pass an HQS inspection conducted at the program's expense before closing. Properties built prior to 1978 are subject to a visual assessment for deteriorated paint (i.e., peeling, chipping, and flaking) at initial inspection of all interior and exterior painted surfaces to evaluate potential lead paint hazard. The inspection is conducted by an HQS inspector trained in visual assessment in accordance with procedures established by HUD. If the inspection determines the presence of deteriorated paint surfaces, the property will be considered ineligible.

- Purchase Home in Montgomery County outside the city limits of Conroe (property may not pay City of Conroe taxes).
- Maximum sales price as set by HUD of $265,000 existing home, $268,000 new home

2023 Household Income Guidelines

AMI%	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
80%	52,200	59,650	67,100	74,550	80,550	86,500	92,450	98,450

Property Requirements

- Properties must be located within Montgomery County excluding properties paying city of Conroe taxes and pass an HQS inspection.
- Properties built prior to 1978 are subject to a visual assessment for deteriorated paint (i.e., peeling, chipping, and flaking) at initial inspection of all interior and exterior painted surfaces to evaluate potential lead paint hazard. The inspection is conducted by an HQS inspector trained in visual assessment in accordance with procedures established by HUD. If the inspection determines the presence of deteriorated paint surfaces, the property will be considered ineligible.
- Properties may be single-family unit, condominium, or townhouse.
- Manufactured home are acceptable if doublewide, affixed to a permanent foundation, connected to permanent utility hook-ups, and improvements & land sold as unit. The home must not have been installed on another site and cannot be moved from the site during the 5-year affordability period. The home must not be older than 15 year.. Property must meet the property standards at 92.251(a)(4) which states that the construction must meet the Manufactured Home Construction and Safety Standards
- 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 for pre-existing properties only, not new construction.
- Property must be modest housing, with purchase price not exceeding 95% of the median purchase price for the area as set by HUD

2023 Purchase Price Limits

Existing Home	New Home Construction
$265,000	$268,000

Refinance Guidelines

During the five (5) year affordable period, refinancing of the first (2nd) lien loan will cause the balance of the note to be declared due and payable per terms stipulated in the Second Lien NOTE.

PROGRAM POLICIES

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 ¼%. (USDA 502 Direct loan of up to 33 years is acceptable.)
5. Debt to income ratio shall not exceed 45% based on program's calculations.
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 a minimum of $500 of their own funds.
9. Loan Terms must be 30 years with the exception of the USDA 502 Direct loan, which may be up to a 33-year term.
10. All assets, listed on 1003 Loan Application will be considered as assets of homebuyer and counted as income (see Household Income Worksheet). A one-time gift to the borrower at closing is allowed and not included in total household income calculations.
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.
12. Montgomery County will not subordinate its lien to other second lien assistance programs.
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 the program.
15. The Seller contribution can be up to 6%, but buyer cannot receive any funds at closing.
16. The same person may not act as both Real Estate Agent and Lender in same transaction.
17. "Homebuyer Assistance Fees" cannot be charged, regardless if it is considered a Lender or Real Estate Fee.
18. Eligible expenses for the Montgomery County Down Payment Assistance program include down payment, closing cost and pre-paids. Rate reduction is an eligible expense if necessary to meet the program's housing ratio of 45%.
19. NO CASH BACK TO BORROWER AT CLOSING.

With only minor exceptions, Easter Seals Greater Houston works with all lenders in good standing and lawfully practicing in the State. Loan terms, fees and rate are reviewed to make sure the financing provided is in the best interest of the homebuyer. Assistance (direct HOME subsidy) will be denied 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.

There is no minimum credit score guidance. A credit report is reviewed to verify total 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). Short-term debts of less than 10 months are not included in the total debt.

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 INCOME & ASSETS

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 defined in 24 CFR 5.609 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 second (2nd) 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. 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.

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

Montgomery County Community Development will issue a release of lien for the second (2nd) lien deferred loan upon maturity of the five (5) year affordability period or in the event of the mortgage loan payoff due to sale of the property.

Underwriting Standards

Per HOME regulations, 24 CFR 92.254(f), underwriting, refinancing, and responsible lending standards are followed to ensure sustainability for the homeowner.

Household debt, monthly expenses and assets of the family, and all financial resources are considered in determining eligibility and the appropriate amount of HOME direct subsidy assistance.

Primary mortgage loans must be affordable and sustainable with appropriate terms. All primary loans must be thirty-year fixed rate loans (with exception of a 33-year USDA 502 direct loan), and not more than 1 ¼% above the prevailing market rate.

APPLICATION PROCESS & TIMELINE

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
- 0-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.
- Lender is notified of maximum mortgage payment.

HQS Inspection Ordered

Ten (10) days to two (2) weeks before closing, inspection is requested.

- 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 (for pre-existing homes, not new construction)
- HUD-certified Homebuyer education Class certificate (if not provided by homebuyer)
- Loan Estimate
- Form 1003
- Property Appraisal
- Flood Determination
- Tax certification
- HOA certification (if applicable)
- Title commitment, all schedules
- Homeowners Insurance including Montgomery County as second (2^{nd}) lien-holder in mortgagee clause
- First lien Deed of Trust and first lien NOTE (provided by the title company)
- Signed Closing Disclosure (provided by the title company)

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
- Social Security card for everyone in the household.
- Affidavit of Citizenship or permanent legal residency
- Signed Credit Authorization form.
- Provide copy of the most current two 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 O Income for anyone over 18 in household who does not receive income, either earned income or benefits,

- If self-employed, provide previous, and 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 two days of receiving lender's preliminary CD and inspection compliance report:

- Amount of assistance is determined based on loan application, fees worksheet, purchase contract, Loan Estimate.
- The Final commitment of funds letter confirms that all conditions have been met, and verifies amount of assistance borrower will receive at closing.

Closing Disclosure reviewed by Administrator

- Closing Disclosure is reviewed to verify NO CASH BACK TO BORROWER AT CLOSING
- Montgomery County is listed as the second lien holder.
- Administrator receives all required lender documents per checklist.
- Contact information for Title Company and escrow officer is provided.

Closing

- Second (2nd) lien Deed of Trust and second lien (2nd1 lien NOTE are prepared by the Administrator and delivered to the Title Company with copy to lender.
- Cashier's check is delivered to title company 24 hours before closing
- Second (2^{nd}) lien Deed of Trust does not require title insurance
- Second (2^{nd}) lien Deed of Trust is recorded by the Title Company and forwarded to the Administrator after closing.
- Fee charged by the title company for recording of the second (2nd) lien Deed of Trust may be included in settlement costs on Closing Disclosure.

APPLICATION PACKET

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

Asset Information
(Please provide the name of the Bank, Savings and/or Checking Account number for all persons who will be living in the home.)

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)

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 For 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.

Information Covered: **Inquiries may be made about items initialed by applicant/tenant.**

	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 HEAD

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

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 l 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 yow-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: _____

Owner(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 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

Easter Seals Greater Houston
Demographic Information

Name: _____

Street Address:_____ City:_____Zip code:_____

Home #:_____Cell #:_____Work #: _____

Email Address:_____Birth Date: _____

Gender: Male_____ Head of Household: Y_____N_____Veteran: Y_____N_____

Total Number of People in Household:_____Age of Children: _____

Ethnicity: (please circle)
African American/Black Asian Bi/Multi-Racial Caucasian Hispanic/Latino Native-American/Native Indian Other

Marital Status:
Married_____ Single_____ Divorced_____ Separated _____ Widowed_____

Disability in Household?: Self_____Spouse_____Child_____Other_____

Education: (please circle)
No HS HS Graduate GED Certificate Some College Bachelor's Degree Graduate Degree

Have you been pre-approved by a lender for a mortgage? Yes_____ No_____

Monthly Household Income:

Monthly Earned Income/Employment: $_____

Monthly SS, SSI, SSDI Benefits: $_____

Child Support: $_____

Other (ex: income of other adults): $_____

Business Income (side jobs, informal wages): $_____

Total Monthly Household Income: **$_____**

(all sources of household income)

Monthly Housing Expense:

(rent + utilities + renters insurance) **$_____**

Discretionary Monthly Household Expenses:

Utilities (gas, electric, water, phone TV): $_____

Food $_____

Child Care (and/or Child Support paid): $_____

Car note: $_____

Gas & Maintenance: $_____

Car Insurance: $_____

Health Care (Insurance & out-of-pocket): $_____

Entertainment & Eating out: $_____

Regular loan payments: $_____

Other $_____

***Total Monthly Household Expenses*: $_____**

Banking Information:

Do you currently have a checking account?: Y_____N_____ Savings account?: Y____N_____

Retirement account? Y_____N_____

Credit Information:

Do you know your credit score?:_____# of Credit Cards: _____

Tax Information:

Refund amount from most recent tax return: $_____

Household Assets:

Total savings (all sources): $_____

Total retirement funds (if other than savings): $_____

Current value of vehicle(s): $_____

Other: $_____

Total Assets: $_____

Montgomery County Community DEVELOPMENT

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:

- Maximum Direct HOME subsidy is $12,600 per household
- Meet income guidelines (below 80% Area Median Income)
- Complete a HUD-Approved Homebuyer's Education Class
- Have not owned a home in the last 3 years
- Be a Citizen of U.S.A. or Permanent Resident Alien
- Purchase home in Montgomery County (outside the city limits of Conroe i.e., does not pay city of Conroe taxes)
- Maximum sales price: $265,000 Existing Home - $268,000 New Home
- Debt-to-income Housing ratio is 45% (mortgage payment & fixed debt)
- Qualify for a 30 year fixed-rate FHA, Conventional, USDA, or VA loan with a lender of your choice
- All properties must pass an HQS inspection conducted at program's expense. Properties built prior to 1978 are subject to a visual assessment for deteriorated paint (i.e., peeling, chipping, and flaking) surfaces at initial inspection of all interior and exterior painted surfaces to evaluate potential lead paint hazard. If the presence of deteriorated paint is determined, the property will not be considered eligible
- Double-wide Manufactured homes, not older than 15 years are allowable
- Subsidy covers down payment, closing costs & pre-paids, with no cash back to borrower at closing

AMI%	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
80%	$52,200	$59,650	$67,100	$74,550	$80,550	$86,500	$92,450	$98,450

**Assistance (Direct Home Subsidy) contingent upon availability of funds*

For more information, please call (346) 330 - 3904 or (832) 563 - 6575

E-mail: kthorstenberg@eastersealshouston.org
Visit our website: www.eastersealshouston.org

Application Submission Checklist
(Please provide the following documentation with the application)

Homebuyer provides the following documents:

1. ☐ 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.)*
2. ☐ HOME Program Eligibility Release Form: signed by applicant, co-applicant, and any household member over 18 (included in application).
3. ☐ Signed Credit Authorization form.
4. ☐ Provide copy of the most current 2 months pay stubs for applicant, co-applicant, and any household member over 18.
5. ☐ 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, monthly ending balance*).
   Note: We will also need explanations for all large deposits that are not direct deposit from employer
6. ☐ Provide copy of most recent SAVINGS account statement for applicant, co-applicant and any household member.
7. ☐ Copy of Last 2 *Years* W-2's & Tax Returns for applicant, co-applicant, and any household member over 18.
8. ☐ If anyone over 18 in household does not receive income, either earned or benefits, please provide signed Certification of Zero Income (included in application).
9. ☐ If self-employed, provide previous, and current Profit and Loss Statement.
10. ☐ Most recent statement for any 401K, Retirement or IRA, Stock, Profit Sharing, and/or CD accounts.
11. ☐ If SS, SSI, or SSDI is received, provide the most recent Award Letter for the household member.
12. ☐ Copy of divorce decree. (*No assistance will be provided under a pending divorce or temporary separation decree.)*
13. ☐ Court order for child support or Attorney General Order & printout *(even if the support is not received.)*
14. ☐ TANF (AFDC, WIC, etc.) Please provide proof of any assistance received (if applicable)
15. ☐ HUD – certified Homebuyer Education Certificate
16. ☐ Copies of valid Drivers License or Government Issued ID for all adults in household.
17. ☐ Copies of Social Security card for everyone in the household.

Lender provides the following documents:

1. Loan application (1003 signed)
2. Pre-qualification letter

8.5.2024 kt/wd

3. Loan commitment for a fixed rate mortgage
4. Appraisal with photos
5. Tax Certificate
6. HOA Certificate
7. Survey
8. Flood Certificate
9. Loan Estimate
10. Closing Disclosure
11. Title Commitment, All Schedules
12. Texas General Warranty Deed with Vendor's Lien
13. Homeowners Insurance policy (Montgomery County Community Development as 2nd lien-holder in mortgagee clause)
14. Name and address of the title company with contact person, and closing date.

Real Estate Agent or Broker provides the following documents:

1. Notice to Real Property Owner/Seller Form (for existing home only)

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 any item not submitted or submitted improperly will result in a processing delay.

COMMITMENT LETTERS

Easter Seals Greater Houston
4888 Loop Central Drive, Suite 200, Houston, 77081
Telephone (c) 832-563-6575
The Montgomery County Office
1600 Lake Front Circle, #248
The Woodlands, TX 77380
Office phone: 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 of a conditional commitment of assistance from Easter Seals Greater Houston, administrator of the Montgomery County Down Payment Assistance (Direct HOME Subsidy) program, for up to $12,600 to be used for down payment, closing costs, and prepaid items for the purchase of a single-family residence eligible under the guidelines of this program.

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.

The assistance is available only after all of the following conditions have been met:

1. The home to be purchased is located within Montgomery County (outside the city limits of Conroe, i.e., must not pay City of Conroe taxes);
2. The Home Buyer must submit a conditional approval for an acceptable mortgage from a lender.
3. The home must pass an HQS (Housing Quality Standards) inspection
4. Properties built prior to 1978 must pass a visual assessment of all painted interior and exterior painted surfaces to evaluate potential lead-paint hazard risks. Manufactured homes older than 15 years are not acceptable. If the presence of deteriorated paint is determined, the property will not be considered eligible.
5. 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 an HQS inspection. Properties built prior to 1978 must also pass a visual assessment of painted surfaces to determine possible lead-paint hazard risks.

If you have any questions concerning this matter, please call 832-563-6575.

Sincerely,

Katy A. Thorstenberg
Program Administrator

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

TIMELINE & PROCESS
FROM APPLICATION TO PURCHASE

INFORMATION FOR REALTORS

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 ratio is 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.
- Properties built prior to 1978 must pass a visual inspection for deteriorated paint. If presence of deteriorated paint is determined, the property will not be eligible.
- 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 for a pre-existing house.

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

***Please note that closing date may be scheduled *only AFTER* property passes program's HQS inspection

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

- Application may be submitted by lender or applicant.
- Contact information for lender/realtor provided.

Three (3) days after receipt of completed application

- Commitment of Funds letter issued for up to $12,600 of down payment assistance.
- Mortgage Projector e-mailed to lender confirming maximum mortgage payment allowed per program housing ratios.
- Household income as calculated by program verifying maximum mortgage payment & DTI provided to lender.
- Information e-mailed to realtor regarding property eligibility.
- Guidelines and supporting program documentation e-mailed to lender.
- Information for HUD-certified Homebuyer Education Class requirement is provided the applicant.

II. Executed Sales Contract received by Program Administrator

Ten (10) days after receipt of contract Home Inspection completed

- HQS Home inspection paid by program is requested by Program Administrator.
- New Builds must be move-in ready before inspection is requested.
- Properties built prior to 1978 must pass a visual deteriorated paint inspection.
- Manufactured Homes older than 15 years of age are not eligible
- 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
- Appraisal
- Survey
- Flood Cert

- Tax cert/HOA
- Title Commitment, all schedules
- 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
- Lender confirms with underwriters no additional program documentation required

IV. FINAL COMMITMENT OF FUNDS LETTER ISSUED after receipt of following

- Homebuyer is required to attend a Pre-Closing Meeting.
- Compliance inspection report is received & property cleared.
- 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.

Five (5) days before closing

- Environmental report completed*
- Cashier's check requested (issued by Easter Seals).
- 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

*Final Closing document review

Three (3) days before closing

- Preliminary CD is reviewed by administrator verifying Second lien financing
- Cashier's check is requested and delivered to the title company by close of one business day before closing
- Second lien DOT and NOTE are prepared by administrator, signed by county and originals delivered to title company one business day before closing
- Signed CD, first lien DOT and NOTE and signed second lien DOT and NOTE provided by Title Company to administrator after closing

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 housing interest rate reduction if necessary to meet program ratio of 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 45%
- Sales contract provided to administrator AS SOON AS EXECUTED in order to request the home inspection
- Include administrator below 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:

1. ☐ 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.)*
2. ☐ HOME Program Eligibility Release Form: signed by applicant, co-applicant, and any household member over 18 (included in application).
3. ☐ Signed Credit Authorization form.
4. ☐ Provide copy of the most current 2 months pay stubs for applicant, co-applicant, and any household member over 18.
5. ☐ 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, monthly ending balance*).
   Note: We will also need explanations for all large deposits that are not direct deposit from employer
6. ☐ Provide copy of most recent SAVINGS account statement for applicant, co-applicant and any household member.
7. ☐ Copy of Last 2 *Years* W-2's & Tax Returns for applicant, co-applicant, and any household member over 18.
8. ☐ If anyone over 18 in household does not receive income, either earned or benefits, please provide signed Certification of Zero Income (included in application).

D

9. ☐ If self-employed, provide previous and current Profit and Loss Statement.
10. ☐ Most recent statement for any 401K, Retirement or IRA, Stock, Profit Sharing, and/or CD accounts.
11. ☐ If SS, SSI, or SSDI is received, provide the most recent Award Letter for the household member.
12. ☐ Copy of divorce decree. (*No assistance will be provided under a pending divorce or temporary separation decree.)*
13. ☐ Court order for child support or Attorney General Order & printout *(even if the support is not received.)*
14. ☐ TANF (AFDC, WIC, etc.) Please provide proof of any assistance received (if applicable)
15. ☐ HUD – certified Homebuyer Education Certificate
16. ☐ Copies of valid Drivers License or Government Issued ID for all adults in household.
17. ☐ Copies of Social Security card for everyone in the household.

Lender provides the following documents:

1. Loan application (1003 signed)
2. Pre-qualification letter

3. Loan commitment for a fixed rate mortgage
4. Appraisal with photos
5. Tax Certificate
6. HOA Certificate
7. Survey
8. Flood Certificate
9. Loan Estimate
10. Closing Disclosure
11. Title Commitment, All Schedules
12. Texas General Warranty Deed with Vendor's Lien
13. Homeowners Insurance policy (Montgomery County Community Development as 2nd lien-holder in mortgagee clause)
14. Name and address of the title company with contact person, and closing date.

Real Estate Agent or Broker provides the following documents:

1. Copy of Executed Sales Contract of Home, all Sellers;' Disclosures, Third Party Financing Addendum, all other addendums signed by buyer, and proof of taxing jurisdictions.
2. Notice to Real Property Owner/Seller Form (for existing home only)

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 any item not submitted or submitted improperly will result in a processing delay.

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
	Flood Certificate	
	Survey	

PRE-CLOSING DOCUMENTS

Received by Administrator five (5) business days before closing

	Binder for Homeowners Insurance	Montgomery County listed in mortgagee clause as 2nd lien holder
	Tax/HOA certificate	
	Title Commitment	All schedules, exceptions and restrictive Covenants
	Preliminary Closing Disclosure	2nd 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 1st lien-holder & amount 1st lien	To be included in 2nd lien documents prepared by administrator

POST CLOSING DOCUMENTS

Provided within three (3) days after closing

	Senior Lender Deed of Trust	Certified, recorded copy *(Mailed within 2 weeks of closing)*
	Senior Lender Loan Note	Certified Copy
	Signed 2nd lien Deed of Trust	Executed, recorded copy
	Signed 2nd lien Loan NOTE	Executed copy
	Final certified Closing Disclosure	Signed

Rental/Homebuyer/Homeowner Rehab Set-Up Report
HOME Program

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0171
(Exp. 8/31/2009)

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

Note: Complete for all Rental/Homebuyer/Homeowner Rehab Activities to be set-up.	Check the Appropriate Box: ☐ Original Submission ☐ Change Owner's Address ☐ Ownership Transfer ☐ Revision

Part A:

1. Activity Number	2. Name of Participant	6. HOME Funds for Activity a. Total Funds Requested + **$**	
3. Participant Tax ID Number	4. CHDO Tax ID Number	**b. Participant Number**	**c. Dollar Amount of Funds** **$**
5. Type of Activity (1) ☐ Rehab (3) ☐ Acquisition Only (5) ☐ Acquisition New Construction (2) ☐ New Construction (4) ☐ Acquisition Rehab			**$**
8. Name &Phone Number of person completing form	9. CHDO Loan (1) ☐ Yes (2) ☐ No		**$**
		7. Total Estimated Cost of Activity (HOME-assisted units, including other public/private funds) **$**	

Part B: Activity Information

1. Street Address of Activity

1a. City	1b. State	1c. Zip Code

2. Name of Owner ☐ Mr. ☐ Mrs. ☐ Ms.	2a. Last Name	2b. First Name

3. Mailing Address of Owner

3a. City	3b. State	3c. Zip Code

3d. Phone Number	4. Name of Firm (if applicable)	5. Total Units in Activity Prior to Assistance	6. Estimated Units Upon Completion	7. Total HOME-Assisted Units Upon Completion

8. Type of Ownership (Check one box)	9. Tenure Type (Check one box only)	10. Complete for CHDO Activities (Check one box only)	11. County Code (to be completed by Centralized States only)
(1) ☐ Individual (4) ☐ Not-for-Profit (2) ☐ Partnership (5) ☐ Publicly Owned (3) ☐ Corporation (9) ☐ Other	(1) ☐ Rental (2) ☐ Homebuyer (3) ☐ Homeowner Rehab	☐ (1) ☐ Owned (2) ☐ Sponsored (3) Developed	

Part C: Household Characteristics Complete one line for each unit assisted with HOME funds. Enter one code only in each block. If the activity is a 1-4 unit owner occupied rental activity, also provide tenant characteristics. For activities which include multiple addresses, complete a separate Household Characteristics (Part C) for each address. Do not complete for new construction activities.

Activity Address	Activity Number

Unit No.	No. of Bedrooms	Occupancy	Tenant Contribution	Subsidy Amount	Total Rent	% of Area Median	Hisp	Race of Head of Household	Size of Household (1 to 8)	Head of Household	Rental Assistance

No. of Bedrooms Code
1 – 1 Bedroom
2 – 2 Bedrooms
3 – 3 Bedrooms
4 – 4 Bedrooms
5 – 5 or more Bedrooms

Occupancy Code
1 – Tenant
2 – Owner
9 – Vacant

% of Area Median Code
1 – 0 – 30%
2 – 30 – 50%
3 – 50 – 60%
4 – 60 – 80%

Hispanic
y – yes
n – no

Race of Head of Household Code
11 – White
12 – Black or African American
13 – Asian
14 – American Indian or Alaska Native
15 – Native Hawaiian or Other Pacific Islander
16 – American Indian/Alaska Native & White
17 – Asian & White
18 – Black or African American & White
19 – American Indian or Alaska Native & Black or African American
20 – Other Multi Racial

Head of Household Code
1 – Single/non-Elderly
2 - Elderly
3 – Related/Single Parent
4 – Related/Parent
5 - Other

Rental Assistance Code
1 – Section 8
2 – HOME TBRA
3 – Other
4 – No Assistance

Public reporting burden for this collection of information is estimated to average 15 minutes 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.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owner or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and disbursement deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain activity- specific elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and disbursements of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentially when public disclosure is not required.

Sensitive Information: Some of the information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information if maintained. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

Instructions for Completing the Rental/Homebuyer/Homeowner Rehab Set-Up Report

HOME Program

Read the instructions for each item carefully before completing the form. Use a typewriter or print carefully with a ballpoint pen. Prepare an original and one copy. Retain the copy.

Applicability. This report is to be completed for each rental, homebuyer, or homeowner rehabilitation activity assisted with HOME funds.

Timing. This report form is used to setup an activity in IDIS so that funds may be drawn down. An amended setup report form should be submitted if an activity is revised or if HOME funding for the activity is increased or decreased, and the change should be highlighted in yellow.

Part A:

1. **Activity Number.** Enter the activity number assigned by IDIS.
2. **Name of Participant.** Enter the name of the participant, or, for State recipient activities, the name of the State recipient.
3. **Participant's Tax ID Number.** Enter the Tax (Employer) Identification Number for the participant; for a State recipient project, enter the State recipient's Tax ID Number.
4. **CHDO Tax ID Number.** Complete only for activities assisted with funds reserved for Community Housing Development Organizations (CHDOs). Enter the Tax (Employer) Identification Number for the CHDO.
5. **Type of Activity.** Check one box to indicate the type of activity set-up based on the following definitions:
   (1) **Rehabilitation Only.** A HOME-assisted rehabilitation activity that did not include acquisition of real property. Such activities may have involved (a) repairs or improvement of residential unit(s) to bring the unit(s) up to the property standards required by 24 CFR 92.251;(b) the reconfiguration of a structure to reduce the total units in order to increase the number of large family units, (c) the addition of a room or rooms (e.g., bedroom or bathroom) outside the existing walls for purposes of meeting occupancy or code standards and (d) the adding of a unit or units within the existing structure.
   (2) **New Construction Only.** Any activity that involved (a) the addition of units outside the existing walls of the structure and (b) the construction of a new residential unit(s). **Note:** When activities have combined new construction in one building(s) on one parcel of land, the projects, by type of activity (i.e. rehabilitation or new construction), must be administratively set up as separate activities in IDIS.
   (3) **Acquisition Only.** Acquisition of a structure that received a certificate of occupancy at least 13 months before acquisition, which did not require rehabilitation and which is being used to provide affordable housing.
   (4) **Acquisition and Rehabilitation.** A HOME-assisted rehabilitation activity, which included the acquisition of real property.
   (5) **Acquisition and New Construction.** A HOME-assisted new construction activity, which included the acquisition of real property. This includes acquisition of a structure that has received an initial certificate of occupancy within a one year period prior to acquisition.

   NOTE: When activities combine new construction in one building(s) with rehabilitation activities in another building(s) on one parcel of land, the activities, by type of activity (i.e., rehabilitation or new construction), must be administratively set up as separate activities in IDIS.
6. **HOME Funds for Activity.**
   a. Enter the total amount of HOME funds requested for activity.
   b. Enter the participant number for each grant and fiscal year source of HOME funds committed for the activity.
   c. Indicate the amount of HOME funds from each fiscal year by participant number.
7. **Total Estimated Cost of Activity (HOME-assisted units, including other public/private funds).** Enter the total estimated cost (hard and soft costs) for the HOME-assisted units in the activity, including other public/private funds. (Do not include costs attributable to units in the activity that are not HOME-assisted units.)
8. **Name & Phone Number (Including Area Code) of Person Completing Form.** Enter the name and phone number, including area code, of the person to contact for further information regarding this form.
9. **CHDO Loan.** Complete only for activities assisted with funds reserved for Community Housing Development Organizations (CHDOs). Check "yes" if this is a project-specific seed money loan. NOTE: When setting up a CHDO loan, the PJ should set up the activity initially to include only the CHDO loan and complete parts A and B of this report form. If the activity is amended to add more CHDO loan funds, the PJ should check "yes." If

the PJ proceeds with the activity the activity may be amended to add additional HOME funds. If the activity is later amended to add funds for rehabilitation or new construction, etc., the PJ would check "no" in block 9. If the activity is amended to add additional funds and/or the activity moves forward, the PJ must submit an amended set-up report form and must complete part C. If the activity does not go forward, a completion report form is required.

Part B: Activity Information

1. **Street Address of Activity.** Self-explanatory.
2. **Name of Owner.** For activities containing rental units, enter the name of the owner. For single-unit homeownership activities, enter "NA" for not applicable.
3. **Mailing Address of Owner.** For activities containing rental units, indicate the mailing address of the owner. For single-unit homeownership activities, enter "NA" for not applicable.
4. **Name of Firm.** For activities containing rental units, if the activity is owned by a firm or other organization, enter the name of the firm or organization. Enter the film address in Item 3 above. For single-unit homeownership activities and other activities which are not owned by a firm, enter "NA" for not applicable.
5. **Total Units in Activity Prior to Assistance.** Enter the total number of units in the activity (both HOME-assisted and non-HOME-assisted units).
6. **Estimated Units Upon Completion.** Enter the total estimated number of units that will be in the activity upon completion (both HOME-assisted and non-HOME-assisted units).
7. **Total HOME-Assisted Units Upon Completion.** Enter the total number of units (upon completion) that will receive HOME assistance.
8. **Type of Ownership.** Check one box only.
9. **Tenure Type.** Check one box only. For 2 – 4 unit activities containing both an owner occupant and rental unit(s), check box (2) or (3). For 5 or more unit activities containing an owner occupant and rental units, check box (1). (**NOTE:** This will affect which completion report is required upon completion).
10. **Community Housing Development Organization Activities.** Complete only for activities assisted with funds reserved for Community Housing Development Organizations (CHDOs). Check one box only.
11. **County Code.** To be completed only for centralized State activities. Enter the 3-digit county code for the county in which the project is located.

Part C. Household Characteristics.

Provide information on the characteristics of each household (renter or owner) occupying a unit to be assisted with HOME funds. Complete one line for each unit to be assisted with HOME funds. Enter one code only in each block. If the activity is a 1 to 4 unit owner-occupied rental activity, provide characteristics for tenants as well as for the owner. If information is not available, enter "9." If a unit is unoccupied, enter unit number, number of bedrooms, and occupancy as "9" vacant. **Do not complete for new construction activities.**

Unit Number. For rental units, enter the unit number of each unit that will receive HOME assistance.

Number of Bedrooms. Enter "0" for a single room occupancy (SRO) unit or for an efficiency unit, 1 for 1 bedroom, 2 for 2 bedrooms, 3 for 3 bedrooms, 4 for 4 bedrooms, and 5 for 5 or more bedrooms.

Occupancy Code. Enter 1 if the unit is occupied by a tenant, 2 if it is occupied by a homeowner, and 9 if it is vacant.

Monthly Rent (Including Utilities).
Tenant Contribution. For homeowners, enter zero. For renters, enter the actual rent to the nearest dollar, including utilities, paid by the tenant at the time of activity completion. If the rent includes utilities, or if the rent includes partial utilities, *e.g.*, heat, but not electricity, these utility costs must be added to the rent. Compute utility costs for the area (and in the case of partial utilities, compute costs for utilities excluded from the rent), by using the utility allowance schedule by the local Public Housing Authority (PHA) in accordance with form HUD-52667, Allowance for Tenant Furnished Utilities and Other Services.

Subsidy Amount. For homeowners, enter zero. For renters, enter the amount that the tenant receives as a rent subsidy payment (including any utility allowances paid directly to the tenant) to the nearest dollar. If the tenant does not receive a tenant subsidy payment, enter zero.

Total Rent. For homeowners, enter zero. For renters, enter the total monthly rent (tenant contribution plus subsidy amount).

Income Data.
Percent of Area Median. For each occupied residential unit, enter one code only based on the following definitions:

1. **0–30** Percent of Area Median means a household whose adjusted income is at or below 30 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
2. **30–50** Percent of Area Median means a household whose adjusted income exceeds 30 percent and does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
3. **50–60** Percent of Area Median means a household whose adjusted income exceeds 50 percent and does not exceed 60 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
4. **60–80** Percent of Area Median means a household whose adjusted income exceeds 60 percent and does not exceed 80 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

Household Data.
Hispanic Y/N: For each occupied residential unit, enter the ethnicity for the head of household as either "Y" for Hispanic or Latino or "N" for Not Hispanic or Latino. Hispanic or Latino race is defined as a person of Cuban, Mexican, Puerto Rican, South or Central American, other Spanish culture or origin, regardless of race. The term, "Spanish origin," can be used in addition to "Hispanic or Latino."

Race – Head of Household: For each occupied residential unit, enter one code only based on the following definitions:

11. **White.** A person having origins in any of the original peoples of Europe, North Africa or the Middle East.
12. **Black or African American.** A person 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."

13. **Asian.** A person 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.
14. **American Indian or Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains affiliation or community attachment.
15. **Native Hawaiian or Other Pacific Islander.** A person having origins in any of the original people of Hawaii, Guam, Samoa or other Pacific Islands.
16. **American Indian or Alaska Native & White.** A person having these multiple race heritages as defined above.
17. **Asian & White.** A person having these multiple race heritages as defined above.
18. **Black or African American & White.** A person having these multiple race heritages as defined above.
19. **American Indian or Alaska Native & Black or African American.** A person having these multiple race heritages as defined above.
20. **Other Multi Racial.** For reporting individual responses that are not included in any of the other categories listed above.

Size of Household. Enter the appropriate number of persons in the household: 1, 2, 3, 4, 5, 6, 7, or 8 or more persons (for households or more than 8, enter 8).

Head of Household. For each residential unit, enter one code only based on the following definitions:

1. **Single/Non-Elderly.** One-person household in which the person is not elderly.
2. **Elderly.** One or two person household with a person at least 62 years of age.
3. **Related/Single Parent.** A single parent household with a dependent child or children (18 years old or younger).
4. **Related/Two Parent.** A two-parent household with a dependent child or children (18 years old or younger).
5. **Other.** Any household not included in the above 4 definitions, including two or more unrelated individuals.

Rental Assistance: For rental units, enter one code only to indicate the type of assistance, if any, being provided to the tenant.

1. **Section 8.** Tenants receiving Section 8 assistance through the Section 8 Certificate Program under 24 CFR part 882 or the Section 8 Housing Voucher Program under 24 CFR part 887.
2. **HOME Tenant Based Rental Assistance.** Tenants receiving HOME tenant-based assistance.
3. **Other Assistance.** Tenants receiving rental assistance through other Federal, State or local rental assistance programs.
4. **No Assistance.** Self-explanatory.

Homebuyer/Homeowner Rehab Completion Report
HOME Program

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0171
(Exp. 8/31/2009)

Mark the appropriate box:
☐ Original Submission ☐ Revision

Part A: Activity Information

1. Activity Number	2. Name of Participant	3. Participant's Tax ID Number	4. CHDO Tax ID Number

5. Name & Phone Number of person completing this form	6. Type of Property (check one):
	(1) ☐ 1-4 Single Family (3) ☐ Cooperative (2) ☐ Condominium (4) ☐ Manufactured Home

Part B: Financial Structure of Activity

Type of Activity Financed (check one):
(1) ☐ Rehabilitation Only (3) ☐ Acquisition Only (5) ☐ Acquisition & New Construction
(2) ☐ New Construction Only (4 ☐ Acquisition & Rehabilitation

Activity Costs

1. HOME Funds

	Annual Interest Rate %	Amortization Period Yrs.	
(1) Direct Loan			$
(2) Grant			$
(3) Deferred Payment Loan (DPL)			$
(4) Community Housing Development Organization (CHDO) Loan a. TA Loan			$
b. Seed Loan			$
Total CHDO Loan (Total Items 4a and 4b)			$
(5) Other			$
Total HOME Funds (Total Items 1-5)			$

2. Public Funds

(1) Other Federal Funds	$
(2) State/Local Appropriated Funds	$
(3) State/Local Tax Exempt Bond Proceeds	$
Total Public Funds (Total Items 1-3)	$

3. Private Funds

	Annual Interest Rate %	Amortization Period Yrs.	
(1) Private Loan Funds			$
(2) Owner Cash Contribution			$
(3) Private Grants			$
Total Private Funds (Total Items 1-3)			$

4. HOME Program Income	$
5. Total Activity Costs (Total All Items)	$

Part C: Financial Assistance to Homebuyer **Note: Complete for homebuyer activities only.**

1. Initial Purchase Price				$
2. Appraised Value				$
3. Total HOME Funds for Downpayment Assistance [sum of 3(a), 3(c), and 3(d)]				$
(a) Direct Loan	Annual Interest Rate %	Amortization Period Yrs.	$	
(b) Grant			$	
(c) Deferred Payment Loan			$	
(d) Other			$	
4. HOME Program Income for Downpayment Assistance				$
5. Total HOME Funds for Downpayment Assistance (Items 3-4)				$

Part D: Complete for homeowner rehabilitation activities only.

1. After Rehabilitation Value	$
2. Single Family Mortgage Limit	$

Part E: Household Characteristics. Complete the first line for the unit to be occupied by an owner. Fill out the second (third/fourth) line(s) for the rental unit(s), if any. For an unoccupied unit, enter unit number, number of bedrooms, and 9 for occupancy.

Activity Address	Activity Number

Unit No.	No. of Bedrooms	Occupancy	Tenant Contribution	Subsidy Amount	Total Rent	% of Area Median	Hispanic	Race of Head of Household	Size of Household	Head of Household	Rental Assistance
	0-SRO 1-1Bdrm 2-2Bdrm 3-3Bdrm 4-4Bdrom 5-5 or more Bdrms	1-Tenant 2-Owner 3-Vacant				1-0-30% 2-30-50% 3-50-60% 4-60-80%	y-yes n-no	11-White 12-Black or AfricanAmerican 13-Asian 14-American Indian or Alaska Native 15-Native Hawaiian or Other Pacific Islander 16-American Indian or Alaska Native & White 17-Asian & White 18-Black or AfricanAmerican & White 19-American Indian or Alaska Native & Black or African American 20-Other Multi Racial	1-1 Person 2-2 Persons 3-3 Persons 4-4 Persons 5-5 Persons 6-6 Persons 7-7 Persons 8-8 or more Persons	1-Single/ NonElderly 2-Elderly 3-Related/ SingleParent 4-Related/ Parent 5-Other	1-Section 8 2-HOME TBA 3-Other Assistance 4-No Assistance

Public reporting burden for this collection of information is estimated to average 15 minutes 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.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owner or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and disbursement deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain activity- specific elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and disbursements of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentially when public disclosure is not required.

Sensitive Information: Some of the information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information if maintained. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

Instructions for Completing the Homebuyer/Homeowner Rehabilitation Completion Report

HOME Program

Read the instructions for each item carefully before completing the form. Use a typewriter or print carefully with a ballpoint pen. Prepare an original and one copy. Retain the copy.

Applicability. This report is to be completed for each homeowner occupied single-family activity assisted with HOME funds. It is to be used for an activity with one owner occupant and zero to 3 units. **Note:** Completion of an activity with two or more homeowners should be reported on the Multi-Address Completion Report. Such an activity would also include 2 duplex properties each occupied by a homeowner but where the 2 properties are considered one project.

Timing. The Homebuyer/Homeowner Rehab Completion Report data are to be input in IDIS within **120 days** of requesting the final disbursement of HOME funds for the activity. If the completion report data are not input within 120 days of the final disbursement for the activity, the PJ's (or State Recipient's) access to the HOME IDIS System may be suspended. An amended completion report should be submitted when all units initially reported vacant are occupied, and the change should be highlighted in yellow.

Part A: Activity Information

1. **Activity Number.** Enter the activity number assigned by IDIS.
2. **Name of Participant.** Enter the name of the participant, or, for State recipient activities, the name of the State recipient.
3. **Participant's Tax ID Number.** Enter the Tax (Employer) Identification Number for the participant; for a State recipient project, enter the State recipient's Tax ID Number.
4. **CHDO Tax ID Number.** Complete only for activities assisted with funds reserved for Community Housing Development Organizations (CHDOs). Enter the Tax (Employer) Identification Number for the CHDO.
5. **Name & Phone Number of Person Completing Form.** Enter the name and phone number, including area code, of the person to contact for further information regarding this report form.
6. **Type of Property.** Check one box to indicate the type of property assisted:
   (1) 1-4 Single Family
   (2) Condominium
   (3) Cooperative
   (4) Manufactured Home

Part B: Financial Structure of Activity

Type of Activity Financed. Mark only one of the 5 available boxes for naming the HOME-assisted activity.

(1) **Rehabilitation Only.** A HOME-assisted rehabilitation activity that did not include acquisition of real property. Such activities may have involved (a) repairs or improvement of residential unit(s) to bring the unit(s) up to the property standards required by 24 CFR 92.251;(b) the reconfiguration of a structure to reduce the total units in order to increase the number of large family units, (c) the addition of a room or rooms (e.g., bedroom or bathroom) outside the existing walls for purposes of meeting occupancy or code standards and (d) the adding of a unit or units within the existing structure.

(2) **New Construction Only.** Any activity that involved (a) the addition of units outside the existing walls of the structure and (b) the construction of a new residential unit(s). **Note:** When activities have combined new construction in one building(s) on one parcel of land, the projects, by type of activity (i.e. rehabilitation or new construction), must be administratively set up as separate activities in IDIS.

(3) **Acquisition Only.** Acquisition of a structure that received a certificate of occupancy at least 13 months before acquisition, which did not require rehabilitation and which is being used to provide affordable housing.

(4) **Acquisition and Rehabilitation.** A HOME-assisted rehabilitation activity, which included the acquisition of real property.

(5) **Acquisition and New Construction.** A HOME-assisted new construction activity, which included the acquisition of real property. This includes acquisition of a structure that has received an initial certificate of occupancy within a one-year period prior to acquisition.

Activity Costs. Include all HOME funds used for the activity and all other funds (public and private) with one exception. ***Do not double count.*** If private funds are used for construction financing and those funds are later replaced by permanent financing, ***do not report both.*** Report all HOME funds expended on the activity. ***(Note: Federal regulations specifically prohibit paying back***

HOME funds with HOME funds.) For funds other than HOME, to the extent a choice must be made to avoid double counting, report permanent financing rather than construction financing. The total amount reported on line 5 of Part B should be the total cost of the activity. The total amount of HOME funds reported in the block titled "Total HOME funds (Total Items (1)-(5)" of Part B must equal the total amount disbursed through IDIS for this activity.

1. **HOME Funds.** Include HOME program income on line 4, below, title "HOME Program Income" only. Do not include HOME program income in any of the following 5 HOME categories.
   - **(1) Direct Loan.** Enter the amount of HOME funds provided for this activity in the form of a direct loan. Enter the loan's interest rate and amortization period. If there are multiple loans, enter the interest rate and term of the largest loan.
   - **(2) Grant.** Enter the amount of HOME funds provided without any repayment requirements. (**Note**: A grant may be used to reduce the principal amount borrowed, a principal reduction payment, or the effective interest rate, an interest subsidy payment, on a privately originated loan.)
   - **(3) Deferred Payment Loan (DPL).** Enter the amount of HOME funds provided through loans where payment of principal and interest is deferred until a future time and enter the interest rate and amortization period, if any. A DPL is some times called a conditional grant (e.g., repayment is required when the property is sold, or is forgiven if the owner does not sell the property for a specified number of years or repayment of principal and interest starts after the bank loan is repaid.)
   - **(4) Community Housing Development Organization (CHDO) Loan.**
     - **a. Technical Assistance (TA) Loan.** Enter the amount of HOME funds provided as a CHDO TA loan for the activity. Reference 24 CFR 92.301(a).
     - **b. Seed Money Loan.** Enter the amount of HOME funds provided as a CHDO seed loan. Reference 24 CFR 92.301(b).

     Total CHDO Loan. Enter the total of the amounts entered on cited on 4a and 4b.
   - **(5) Other.** Enter the total amount of HOME funds provided for subsidy funding that is other than the type of loan/grant assistance identified in the above items listed as (1) through (4).

   Total HOME Funds. Enter the total of items (1) through (5) as the amount of HOME funds expended.
2. **Public Funds.** Enter in blocks (1) through (3), the total amount of public funds expended.
   - **(1) Other Federal Funds.** Exclude any HOME funds expended.
   - **(2) State/Local Appropriated Funds.**
   - **(3) State/Local Tax Exempt Bond Proceeds.**

   Total Public Funds. Enter the total of items (1) through (3) as the amount of Public Funds expended.
3. **Private Funds.**
   - **(1) Private Loan Funds.** Enter the amount of all of the costs that have been paid with funds obtained from private financial institutions, such as banks, savings and loans, and credit unions, and enter the interest rate and amortization period of the loan. If there are multiple loans, enter the interest rate and term of the largest loan. **(Do not double count.)**
   - **(2) Owner Cash Contributions.** Enter the amount of all cash contributions provided by the project owner.
   - **(3) Private Grants.** Enter the amount of cash contributions provided by private organizations, foundations, donors, etc.
   - **(4) Total Private Funds.** Enter the total of items (1) through (4) as the amount of Private Funds expended.
4. **HOME Program Income.** Enter the total amount of funds provided from HOME repayment income.
5. **Total Activity Cost.** Enter the sum of totals for HOME funds, Public funds and Private funds, Low Income Tax Credit Syndication Proceeds, and HOME Program Income. (Totals from above lines 1 through 5.)

Part C. Financial Assistance to Homebuyer.
Complete Part C for homebuyer activities only.

1. **Initial Purchase Price.** Enter the price paid by the homebuyer for the property as evidenced on the deed.
2. **Appraised Value.** Enter the estimated appraised value after any repair.
3. **HOME Funds for Downpayment Assistance.** Enter the amount of HOME Program funds, if any, provided as downpayment assistance to the homebuyer according to the following 4 categories:
   (**Note:** Do not include HOME funds provided as construction financing. HOME funds provided as construction financing should be reported in Part B of this form). For definitions of the four categories, refer to the description of HOME funds in Part B.
   - **(a) Direct Loan**
   - **(b) Grant**
   - **(c) Deferred Payment Loan**
   - **(d) Other**
4. **HOME Program Income.** Enter the amount of HOME Program income provided as downpayment assistance to the homebuyer only. **Note:** Do not double count.
5. **Total HOME Funds for Downpayment Assistance.** Enter the amount of HOME Program funds provided as downpayment assistance to the homebuyer (items 3 and 4).

Part D. Homeownership Rehabilitation Activities Only.
The information requested below pertains only to those activities that have been checked in Part B of this form as rehabilitation only or as acquisition and rehabilitation.

1. **After Rehabilitation Value.** Enter the dollar value of the property. The dollar value is the appraised value of the property before rehabilitation plus the total rehabilitation cost (i.e. all materials, supplies and labor costs directly related to the rehabilitation of the property).
2. **Single Family Mortgage Limit.** Enter the applicable section 203(b) FHA mortgage limit. If a higher limit has been authorized for HOME for your jurisdiction, enter that higher limit.

Part E. Household Characteristics.

Complete one line for the unit to be occupied by an owner. Fill out the second (third/fourth) line(s) for the rental unit(s), if any. For an unoccupied unit, enter unit number, number of bedrooms and occupancy as 9 vacant.

Activity Address & Activity Number. Enter the address (or if no unique street, address, the unit number) of the HOME-assisted property. Also enter the activity number assigned by IDIS. This number should be the same as that entered in Part A, Block #1.

Unit Number. Enter the unit number of each unit assisted with HOME funds.

Number of Bedrooms. Enter "0" for a single room occupancy (SRO) unit or for an efficiency unit, 1 for 1 bedroom, 2 for 2 bedrooms, 3 for 3 bedrooms, 4 for 4 bedrooms, and 5 for 5 or more bedrooms.

Occupancy Code. Enter 1 if the unit is occupied by a tenant, 2 if it is occupied by a homeowner, and 9 if it is vacant.

Monthly Rent (Including Utilities).
Tenant Contribution. For homeowners, enter zero. For tenants, enter the actual rent to the nearest dollar, including utilities, paid by the tenant at the time of activity completion. If the rent includes utilities, or if the rent includes partial utilities, *e.g.*, heat, but not electricity, these utility costs must be added to the rent. Compute utility costs for the area (and in the case of partial utilities, compute costs for utilities excluded from the rent), by using the utility allowance schedule by the local Public Housing Authority (PHA) in accordance with form HUD-52667, Allowance for Tenant Furnished Utilities and Other Services.

Subsidy Amount. For homeowners, enter zero. For tenants, enter the amount that the tenant receives as a rent subsidy payment (including any utility allowances paid directly to the tenant) to the nearest dollar. If the tenant does not receive a tenant subsidy payment, enter zero.

Total Rent. Enter the total monthly rent (tenant contribution plus subsidy amount).

Income Data.
Percent of Area Median. For each occupied residential unit, enter one code only based on the following definitions:

1. **0–30** Percent of Area Median means a household whose adjusted income is at or below 30 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
2. **30–50** Percent of Area Median means a household whose adjusted income exceeds 30 percent and does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
3. **50–60** Percent of Area Median means a household whose adjusted income exceeds 50 percent and does not exceed 60 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
4. **60–80** Percent of Area Median means a household whose adjusted income exceeds 60 percent and does not exceed 80 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

Household Data.
Hispanic Y/N: For each occupied residential unit, enter the ethnicity for the head of household as either "Y" for Hispanic or Latino or "N" for Not Hispanic or Latino. Hispanic or Latino race is defined as a person of Cuban, Mexican, Puerto Rican, South or Central American, other Spanish culture or origin, regardless of race. The term, "Spanish origin," can be used in addition to "Hispanic or Latino."

Race – Head of Household: For each occupied residential unit, enter one code only based on the following definitions:

11. **White.** A person having origins in any of the original peoples of Europe, North Africa or the Middle East.
12. **Black or African American.** A person 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."
13. **Asian.** A person 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.
14. **American Indian or Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains affiliation or community attachment.
15. **Native Hawaiian or Other Pacific Islander.** A person having origins in any of the original people of Hawaii, Guam, Samoa or other Pacific Islands.
16. **American Indian or Alaska Native & White.** A person having these multiple race heritages as defined above.
17. **Asian & White.** A person having these multiple race heritages as defined above.
18. **Black or African American & White.** A person having these multiple race heritages as defined above.
19. **American Indian or Alaska Native & Black or African American.** A person having these multiple race heritages as defined above.
20. **Other Multi Racial.** For reporting individual responses that are not included in any of the other categories listed above.

Size of Household. Enter the appropriate number of persons in the household: 1, 2, 3, 4, 5, 6, 7, or 8 or more persons (for households or more than 8, enter 8).

Head of Household. For each residential unit, enter one code only based on the following definitions:

1. **Single/Non-Elderly.** One-person household in which the person is not elderly.
2. **Elderly.** One or two person household with a person at least 62 years of age.
3. **Related/Single Parent.** A single parent household with a dependent child or children (18 years old or younger).
4. **Related/Two Parent.** A two-parent household with a dependent child or children (18 years old or younger).
5. **Other.** Any household not included in the above 4 definitions, including two or more unrelated individuals.

Rental Assistance: Enter one code only to indicate the type of assistance, if any, being provided to the tenant.

1. **Section 8.** Tenants receiving Section 8 assistance through the Section 8 Certificate Program under 24 CFR part 882 or the Section 8 Housing Voucher Program under 24 CFR part 887.
2. **HOME Tenant Based Rental Assistance.** Tenants receiving HOME tenant-based assistance.

3. **Other Assistance.** Tenants receiving rental assistance through other Federal, State or local rental assistance programs.
4. **No Assistance.** Self-explanatory.

SECURITY INSTRUMENTS

MONTGOMERY COUNTY

HOME Investment Partnerships Programs

Down Payment Assistance Program (Direct HOME Subsidy)

SUBORDINATE DEED OF TRUST

SECOND LIEN DEED OF TRUST (Direct HOME Subsidy)

NOTICE OF CONFIDENTIALITY RIGHTS; EFFECTIVE JANUARY 1, 2004, IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS; i.e.; YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

This SUBORDINATE DEED OF TRUST (Security instrument) is made on

DATE:

The *grantor(s) are:*

The *trustee* is Mark J. Keough, in his capacity as County Judge of Montgomery County, Texas, or, if he is not currently serving as County Judge, the individual currently serving as County Judge of Montgomery County (Trustee), whose address is 501 N Thompson, Suite 200, Conroe, Montgomery County, Texas, 77301. The *beneficiary* is Montgomery County (Lender).

Montgomery County on November 07, 2006, entered into an Agreement with Easter Seals Greater Houston (Administrator) to provide homeownership opportunities to low income families through the use of down payment assistance loans.

Homebuyer owes Lender the principal sum of _____. This debt is evidenced by a Down Payment Assistance (Direct HOME Subsidy) Note (Second Lien Note) dated the same date as this Security Instrument, with the full debt due and payable on _____.

The Note provides for certain potential deferrals, forgiveness or other payment terms. The Note also provides that the full debt, if not paid or forgiven earlier, shall be due and payable on the sale of the property or refinance of the purchase money note dated _____ in the original principal amount of _____issued by Homebuyer and made payable to_____, hereinafter the First Lien Note (FLN), or acceleration of either the FLN or the Note upon Borrower's default, whichever is first to occur.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, advanced under Paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Homebuyer's

covenants and agreements under this Security Instrument and the Note. For this purpose, Homebuyer irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Montgomery County, Texas; (**Legal description**):

Which has the address of _____, (property address).

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, right, appurtenances, grants, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

Homebuyer COVENANTS that Homebuyer is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except as otherwise herein stated and except for encumbrances of record. Homebuyer warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Homebuyer and Lender covenant and agree as follows:

1. **PAYMENT.** Homebuyer shall promptly pay when due all amounts payable under the Note.

2. **APPLICATION OF PAYMENTS.** Unless applicable law provides otherwise, any payment received by Lender prior to the Final Maturity Date shall be applied as a principal reduction to the outstanding loan balance.

3. **CHARGES; LIENS**. Homebuyer shall pay all taxes, assessments, charges, fines and impositions attributable to the Property, which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Homebuyer shall pay these obligations on time directly to the person owed payment. Homebuyer shall promptly furnish to Lender all notices of amounts to be paid under this Paragraph. If Homebuyer makes these payments directly, Homebuyer shall promptly furnish to Lender receipts evidencing the payments. Payment of these amounts in escrow (if required under the terms of the approved purchase money deed of trust securing the FLN from Homebuyer herein to Mark J. Keough, Trustee, of even date with FLN, to be filed in the Official Public/Deed/Real Property Records of Montgomery County, Texas (First Lien Deed of Trust) instead of directly to the person owed payment, will not be a default under this Security Instrument, provided that the escrow agent in turn pays them on time to the person owed payment and escrow agent or the Homebuyer promptly thereafter furnishes to Lender receipts evidencing the payments.

   Except as to the First Lien Deed of Trust, Homebuyer shall promptly discharge any lien which has priority over this Security Instrument unless Homebuyer: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's

opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien, which may attain priority over this Security Instrument, Lender may give Homebuyer a notice identifying the lien. Homebuyer shall satisfy the lien or take one or more of the actions set forth above within ten (10) days of the giving of notice.

4. **SUBORDINATION AND NOTICE TO SENIOR LIEN HOLDER.** Lender and Homebuyer acknowledge and agree that this Deed of Trust is subject and subordinate in all respects to the lien, covenants and conditions of the First Lien Deed of Trust. Upon the event of foreclosure or deed in lieu of foreclosure of the First Lien Deed of Trust, any provisions herein, or any provisions in any other collateral agreement, restricting the use of the Property to low or moderate income households or otherwise restricting the Homebuyer's ability to sell the Property shall have no effect on subsequent owners or purchasers of the Property (other than the Homebuyer or a related entity of Homebuyer).

   Prior to taking any actions under Paragraph 19, Lender shall notify the senior lienholder of a default in the manner provided in Paragraph 19 of this Security Instrument, and shall provide the senior lienholder with the opportunity to cure any such default under this Security Instrument.

5. **HAZARD OR PROPERTY INSURANCE.** Homebuyer shall keep the improvements now existing or hereafter erected upon the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods, that Lender requires. The insurance carrier providing the insurance shall be chosen by Homebuyer subject to Lender's approval, which shall not be unreasonably withheld. If Homebuyer fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Paragraph 7.

   All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Homebuyer shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Homebuyer shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Homebuyer.

   Unless Lender and Homebuyer otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened; provided, however, that the rights of Lender to collect and apply such insurance proceeds shall be subject and subordinate to the rights of the holder of the First Lien Deed of Trust to collect and apply such proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Homebuyer. If Homebuyer abandons the Property, or does not answer within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender, subject to the rights of the First Lien Deed of Trust, may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The thirty (30) day period will begin when the notice is given.

If, under Paragraph 19 the Property is acquired by Lender, Homebuyer's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **OCCUPANCY, PRESERVATION, MAINTENANCE AND PROTECTION OF THE PROPERTY; HOMEBUYER'S LOAN APPLICATION.** Homebuyer shall occupy, establish, and use the Property as Homebuyer's principal residence within sixty (60) days after the execution of this Security Instrument and shall continue to occupy the Property as Homebuyer's principal residence, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Homebuyer's control. Homebuyer shall not destroy damage or impair the Property, cause the Property to deteriorate, or commit waste on the Property. Homebuyer shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Homebuyer may cure such a default by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Homebuyer's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Homebuyer shall also be in default if Homebuyer, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Homebuyer's occupancy of the Property as a principal residence.

7. **PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY**. If Homebuyer fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien, which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this Paragraph 7, Lender does not have to do so.

   Any amounts disbursed by Lender under this Paragraph 7 shall become additional debt of Homebuyer secured by this Security Instrument. Unless Homebuyer and Lender agree to other terms of payment, these amounts shall be payable, upon notice from Lender to Homebuyer requesting payment.

8. **INSPECTION.** Lender or its agents may make reasonable entries upon and inspections of the Property. Lender shall give Homebuyer notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. **CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance

in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the rights of the First Lien Deed of Trust.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Homebuyer. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Homebuyer and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Homebuyer. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Homebuyer and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due. Unless Lender and Homebuyer otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the maturity date.

10. **HOMEBUYER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Homebuyer shall not operate to release the liability of the original Homebuyer or Homebuyer's successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Homebuyer or Homebuyer's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Homebuyer, subject to the provisions of Paragraph 16. Homebuyer's covenants and agreements shall be joint and several. Any Homebuyer who co-signs this Security Instrument only to mortgage, grant and convey that Homebuyer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Homebuyer may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Homebuyer's consent.

12. **LOAN CHARGES.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that any charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Homebuyer which exceeded permitted limits will be refunded to Homebuyer. Lender may choose to make this refund by reducing the principal owed under the Note

or by making a direct payment to Homebuyer. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. **NOTICES.** Any notice to Homebuyer provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Homebuyer designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Homebuyer. Any notice provided for in this Security Instrument shall be deemed to have given to Homebuyer or Lender when given as provided in this Paragraph.

14. **GOVERNING LAW; SEVERABILITY.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of the Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note, which can be given effect without the conflicting provision. To this end, the provisions of this Security Instrument and the Note are declared to severable.

15. **HOMEBUYER'S COPY**. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

16. **VOLUNTARY AND INVOLUNTARY TRANSFER OF THE PROPERTY OR AN INTEREST IN HOMEBUYER.** As set forth in the Note, the debt secured by this Security Instrument shall be immediately due and payable in full upon various occurrences, including if all or any part of the Property or any interest in it is sold, leased or transferred, other than (a) the creation of a lien subordinate to this Security Instrument that is incurred to secure improvements to the Property, or (b) a transfer (not upon death) between joint tenants in the Property who are also co-makers of the Note, or (c) a transfer by devise, descent or operation of law upon the death of a joint tenant in the Property if at least one other joint tenant who is also a maker of the Note remains alive and continues to occupy the Property as his or her principal residence. If a transfer other than as allowed herein occurs Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall be exercised by Lender if exercise is prohibited by Federal law as of the date of this Security Instrument.

    If Lender exercises this option, Lender shall give Homebuyer notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which 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 Homebuyer.

    In the event of foreclosure, deed in lieu of foreclosure or other involuntary conveyance of the First Lien Deed of Trust, or other superior lien, or in the event of a voluntary sale, the debt secured by this Security Instrument shall be due and payable from the available Net Proceeds upon the occurrence of said event of foreclosure, involuntary conveyance or voluntary sale. Net Proceeds of

a sale are the sales price of Property minus the superior loan repayment (other than HOME funds) and any closing costs. If the Net Proceeds are insufficient to repay the debt secured by this Security Instrument and Homebuyer's investment (which includes any portion of initial down payment paid by Homebuyer combined with the value of any capital improvements made with Homebuyer's funds), 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 debt secured by this Security Instrument is not required.

17. **SALE OF NOTE; CHANGE OF LOAN SERVICER.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Homebuyer. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Homebuyer will be given written notice of the change in accordance with Paragraph 13 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

18. **HAZARDOUS SUBSTANCES.** Homebuyer shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Homebuyer shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

    Homebuyer shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Homebuyer has actual knowledge. If Homebuyer learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Homebuyer shall promptly take all necessary remedial actions in accordance with Environmental Law.

    As used in this Paragraph 18, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides, and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Paragraph 18, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

19. **ACCELERATION; REMEDIES.** Lender shall give notice to Homebuyer prior to acceleration following Homebuyer's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Paragraph 16 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Homebuyer, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice will result in acceleration of

the sums secured by this Security Instrument and sale of the Property. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, lender or Trustee shall give notice of the time, place and terms of sale to Homebuyer in the notice at least twenty-one (21) days prior to sale as provided by applicable law. Lender shall mail a copy of the notice of sale to Homebuyer in the manner prescribed by applicable law. Sale shall be made at public venue between the hours of 10:00 a.m. and 4:00 p.m. on the first Tuesday of the month. Homebuyer authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels and in any order, Trustee determines. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying indefeasible title to the Property with covenants of general warranty. Homebuyer covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including but not limited to, reasonable Trustee's and attorney's fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or person legally entitled to it.

If the Property is sold pursuant to this Paragraph 19, Borrower or any person holding possession of the Property through Homebuyer shall immediately surrender possession of the Property to the purchaser at that sale. If possession is not surrendered, Borrower or such person shall be a tenant at sufferance and may be removed by writ of possession.

20. **RELEASE.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security instrument without charge to Homebuyer. Homebuyer shall pay any recordation costs.

21. **SUBSTITUTE TRUSTEE.** Lender, at its option and with or without cause, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

22. **SUBROGATION.** Any of the proceeds of the Note used to take up outstanding liens against all or any part of the Property have been advanced by Lender at Homebuyer's request and upon Homebuyer's representation that such amounts are due and are secured by valid liens against the Property. Lender shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of any outstanding liens and debts, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

23. **PARTIAL INVALIDITY.** In the event any portion of the sums intended to be secured by this Security Instrument cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby.

24. **WAIVER OF NOTICE OF INTENTION TO ACCELERATE.** Homebuyer waives the right to notice of intention to require immediate payment in full of all sums secured by this Security Instrument except as provided in Paragraph 19.

25. **PURCHASE MONEY.** Vendor's Lien; Renewal and Extension. The Note has been given in partial payment of the purchase price for the Property. The Note may also be secured by a vendor's liken against the Property. If so, this Security Instrument dies not waive the vendor's lien, and the two liens and the rights created by this Security Instrument shall be cumulative. Lender may elect to foreclose under either of the liens without waiving the other or may foreclose under both.

BY SIGNING BELOW, Homebuyer accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Homebuyer and recorded with it.

_____

Homebuyer **DATE**

_____

Homebuyer **DATE**

_____

Rebecca Ansley, Director
Montgomery County Grants & Community Development

SPACE BELOW THIS LINE FOR ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF MONTGOMERY

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared_____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that_____(s) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____day of_____

Notary Public

After recording, please return to:

Easter Seals Greater Houston
C/o Katy Thorstenberg
1600 Lake Front Circle, Suite 248
The Woodlands, Texas 77380

MONTGOMERY COUNTY

HOME INVESTMENT PARTNERSHIPS PROGRAM

DOWN PAYMENT ASSISTANCE NOTE

SECOND LIEN NOTE (DIRECT HOME SUBSIDY)

DATE:

Property (which includes the real property and improvements thereon):

Physical Property Address:

City and County:

The Homebuyer(s) are:

The Homebuyer's Address is:

The Lender is: Montgomery County Texas

Lender's address is: 501 N Thompson St., Suite 200, Conroe, Montgomery County, Texas, 77301

Deferred Principal is:

Loan Term is Five (5) years from the date of this Note.

1. **HOMEBUYER'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 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 Homebuyer'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), (d), (e), and (f) below, it shall be paid in a single payment to the Lender.

The events which will cause the balance of the Note to be declared due and payable before or at Maturity are as follows:

(a) The purchase money note to _____ dated _____in the amount of _____, hereinafter the First Lien Note (FLN) is paid in full according to its terms; or

(b) The FLN is refinanced in whole or in part or is assumed by a new homebuyer 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 Homebuyer ceases to occupy the Property as his or her principal residence.

I will make my payment(s) at 501 N Thompson St., Suite 200, Conroe, Montgomery County, Texas, 77301, or at a different place if required by the Note Holder.

4. HOMEBUYER'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. HOMEBUYER'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 Homebuyer is sold or transferred and Homebuyer 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 Homebuyer.

Witness the Hand and Seal(s) of the Undersigned:

_____

Homebuyer **DATE**

_____

Homebuyer **DATE**

_____

Rebecca Ansley, Director
Montgomery County Grants & Community Development

HOUSING QUALITY STANDARDS (HQS) INSPECTION

SETH

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 lease 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 lease 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

SETH

Southeast Texas Housing Finance Corporation

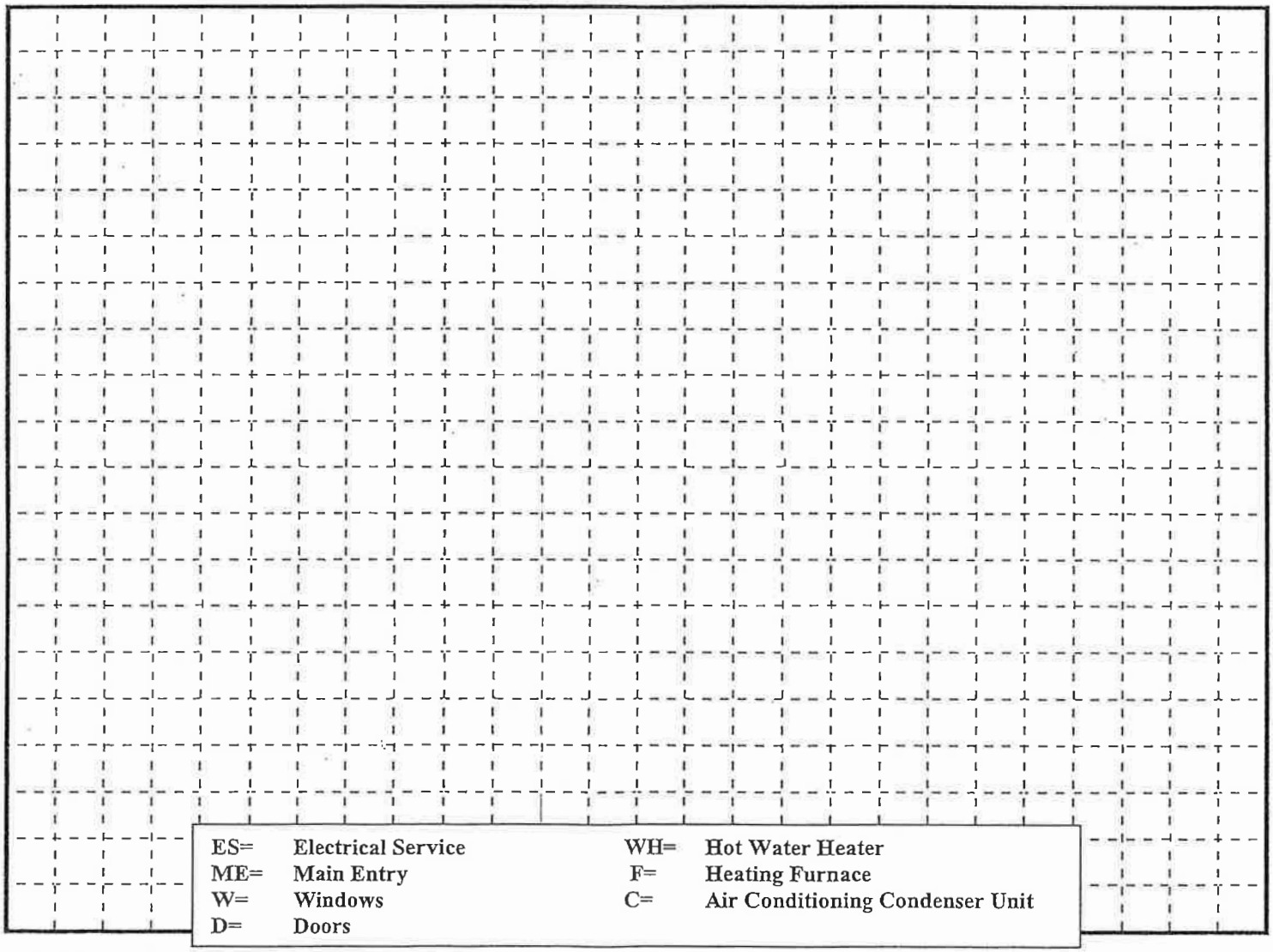
Initial Inspection Checklist

Contract Administrator: Easter Seals Greater Houston	**Program:** TDHCA
Homeowner:	**Contract Number:**
Activity Address:	
Inspector: Paul Schutz TXCE #1720	**Date of Inspection:**

Sketch Property Layout

Energy Star Home *Yes / No*

Include all buildings, site improvements and paved areas.



ES=	Electrical Service	WH=	Hot Water Heater
ME=	Main Entry	F=	Heating Furnace
W=	Windows	C=	Air Conditioning Condenser Unit
D=	Doors		

SETHFC-Sketch Property Layout and Deficiencies
Created by: Paul Schutz TXCE # 1720

Structure Dimensions: _____

Total Enclosed Square Feet: _____

Identify the following on the Sketch:

1.) Electrical Service
2.) Main Entry
3.) Windows and Doors
4.) Hot Water Heater
5.) Heating and Cooling Devices

Note Deficiencies Here:

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. 07/31/2022)

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.

Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of the name and address of both family and the owner is mandatory. The information is used to determine if a unit meets the housing quality standards of the Section 8 rental assistance program. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family participation.

Name of Family	Tenant ID Number	Date of Request (mm/dd/yyyy)
Inspector Paul Schutz TXCE#1720	Neighborhood/Census Tract	Date of Inspection (mm/dd/yyyy)
Type of Inspection: Initial ☐ Special ☐ 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)

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

Housing Type (check as appropriate)

- ☐ Single Family Detached
- ☐ Duplex or Two Family
- ☐ Row House or Town House
- ☐ Low Rise: 3, 4 Stories, Including Garden Apartment
- ☐ High Rise; 5 or More Stories
- ☐ Manufactured Home
- ☐ Congregate
- ☐ Cooperative
- ☐ Independent Group Residence
- ☐ Single Room Occupancy
- ☐ Shared Housing
- ☐ Other

B. Summary Decision On Unit (To be completed after form has been filled out

☐ Pass
☐ Fail
☐ Inconclusive

Number of Bedrooms for Purposes of the FMR or Payment Standard

Number of Sleeping Rooms

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 Pas	No Fail	In-Conc.	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?				Not Applicable	
	2. Kitchen					
2.1	Kitchen Area Present					
2.2	Electricity					
2.3	Electrical Hazards					
2.4	Security					
2.5	Window Condition					
2.6	Ceiling Condition					
2.7	Wall Condition					
2.8	Floor Condition					
2.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
2.10	Stove or Range with Oven					
2.11	Refrigerator					
2.12	Sink					
2.13	Space for Storage, Preparation, and Serving of Food					
	3. Bathroom					
3.1	Bathroom Present					
3.2	Electricity					
3.3	Electrical Hazards					
3.4	Security					
3.5	Window Condition					
3.6	Ceiling Condition					
3.7	Wall Condition					
3.8	Floor Condition					
3.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
3.10	Flush Toilet in Enclosed Room in Unit					
3.11	Fixed Wash Basin or Lavatory in Unit					
3.12	Tub or Shower in Unit					
3.13	Ventilation					

Item No. 4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
4.1 Room Code* and Room Location ☐	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear ____Floor Level	
4.2 Electricity/Illumination					
4.3 Electrical Hazards					
4.4 Security					
4.5 Window Condition					
4.6 Ceiling Condition					
4.7 Wall Condition					
4.8 Floor Condition					
4.9 Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
4.10 Smoke Detectors					
4.1 Room Code* and Room Location ☐	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear ____Floor Level	
4.2 Electricity/Illumination					
4.3 Electrical Hazards					
4.4 Security					
4.5 Window Condition					
4.6 Ceiling Condition					
4.7 Wall Condition					
4.8 Floor Condition					
4.9 Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	
4.10 Smoke Detectors					
4.1 Room Code* and Room Location ☐	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear ____Floor Level	
4.2 Electricity/Illumination					
4.3 Electrical Hazards					
4.4 Security					
4.5 Window Condition					
4.6 Ceiling Condition					
4.7 Wall Condition					
4.8 Floor Condition					
4.9 Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				☐ Not Applicable	

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In-Conc.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code * and Room Location	(Circle One) Right/Center/Left			(Circle One) Front/Center/Rear ____ Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint?				Not Applicable	
	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	(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?				Not Applicable	
	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?				Not Applicable	
	If not, do deteriorated surfaces exceed 20 square feet of total exterior surface area?					
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 Commom Halls					
8.7	Other Interior Hazards					
8.8	Elevators					
8.9	Interior Air Quality					
8.10	Site and Neighborhood Conditions					
8.11	Lead-Based Paint: Owner's Certification				Not Applicable	

If the owner is required to correct any lead-based paint hazards at the property including deteriorated paint or other hazards identified by a visual assessor, a certified lead-based paint risk assessor, or certified lead-based paint inspector, the PHA must obtain certification that the work has been done in accordance with all applicable requirements of 24 CFR Part 35. The Lead -Based Paint Owner Certification must be received by the PHA before the execution of the HAP contract or within the time period stated by the PHA in the owner HQS violation notice. Receipt of the completed and signed Lead-Based Paint Owner Certification signifies that all HQS lead-based paint requirements have been met and no re-inspection by the HQS inspector is required.

C. Special Amenities (Optional)

This Section is for optional use of the HA. It is designed to collect additional information about other positive features of the unit that may be present. Although the features listed below are not included in the Housing Quality Standards, the tenant and HA may wish to take them into consideration in decisions about renting the unit and the reasonableness of the rent.
Check/list any positive features found in relation to the unit.

D. Questions to ask the Tenant (Optional)

1. Living Room

- High quality floors or wall coverings
- Working fireplace or stove Balcony,
- patio, deck, porch Special windows
- or doors
- Exceptional size relative to needs of family
- Other: (Specify)

2. Kitchen

- Dishwasher
- Separate freezer
- Garbage disposal
- Eating counter/breakfast nook
- 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

INTERNAL SUPPORT DOCUMENTATION

Pre-Closing Meeting - Borrower

Property Address; Closing date:

Terms of Assistance Received:

- Assistance funds are secured in a second lien Deed of Trust and NOTE Homebuyer signs at closing. (Examples Attached).
- Homeowner does NOT pay mortgage payment on 2nd lien.
- Homeowner must live in the home as the principal residence for 5 years.
- If Homeowner rents, leases or sells the home during the 5 year period, "the unpaid or unforgiven balance of the Note shall be due and payable from the net proceeds" reimbursed to Montgomery County (terms explained page 6 of the application).

Homeowner Responsibilities:

- Must maintain the home as needed
- Must carry Homeowner's Insurance
- Must notify the Program Administrator if expecting difficulties paying mortgage.
- Must notify the Program Administrator of intent to sell home during the 5-year affordability period.

Recommendations:

- Increase savings to $1,000 for home expenses.
- Annual costs of home repairs estimate - 1% of loan amount.
- Create home maintenance checklist. (Online websites links shown below).
- https://www.hud.gov/sites/documents/SAFEANDHEALTHYHOME.PDF
- https://www.energystar.gov/campaign/heating_cooling/maintenance_checklist

---

Homebuyer **Date**

Homebuyer **Date**

Program Administrator **Date**

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 ([redacted]) 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.

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

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 ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate
☐ 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

Requester's name and address (optional)

6 City, state, and ZIP code
Houston, TX 77081

7 List account number(s) here (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
[ ][ ] - [redacted]

Part II Certification

Under penalties of perjury, I certify that:

1. 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
2. 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
3. I am a U.S. citizen or other U.S. person (defined below); and
4. 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 ▶ [signature] 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:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. 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
4. 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.

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ **Go to *www.irs.gov/FormW9* for instructions and the latest information.**

Give Form to the requester. Do not send to the IRS.

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

MONTGOMERY COUNTY, TEXAS

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its 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.) See instructions.

501 N THOMPSON ST STE 205 PO BOX 539

6 City, state, and ZIP code

CONROE, TX 77301 CONROE, TX 77305

Requester's name and address (optional)

7 List account number(s) here (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 instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

[redacted]

or

Employer identification number

[redacted]

Part II Certification

Under penalties of perjury, I certify that:

1. 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
2. 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
3. I am a U.S. citizen or other U.S. person (defined below); and
4. 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 for Part II, later.

Sign Here Signature of U.S. person ▶ [signature] Date ▶ 3/3/2023

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

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, *later.*

HOME Program Household Income Certification

Enter the requested information into the yellow cells.

Part I. General Information

Administrator:	[redacted]	Certification Type:		Contract Number:	
Applicant Last Name:		Applicant First Name and Middle Initial:			

Part II. Household Composition

Household Member Number	Member Last Name	Member First Name and Middle Initial	Relationship to Head of Household	Date of Birth	Full Time Student (Y/N)
1					
2					
3					
4					
5					
6					
7					

Part III. Gross Annual Income (Non-Asset Income)

Household Member Number	Employment or Wages	Social Security/Pensions/ Annuities/Retirement	Public Assistance	Other Income	Member Income Total
1					$ -
2					$ -
3					$ -
4					$ -
				$ -	$ -
Total Annual Income (Non-Asset Income):	$ -	$ -	$ -	$ -	$ -

Part IV. Income From Assets

Household Member Number	Description of Asset	Cash Value of Asset	Actual Annual Interest Rate	Actual Asset Income	Imputed Asset Income (if applicable)
1			**0.00%**	$ -	
1			**0.00%**	$ -	
1			**0.00%**	$ -	
1			**0.00%**	$ -	
1			**0.00%**	$ -	
	Total Value of Assets:	$ -	Total Asset Income:	$ -	$ -
				Greater of Imputed or Actual Asset Income:	$ -
				Total Household Income:	**$ -**

Part IV. Income From Assets

Under penalty of perjury, Household Members hereby certify that the information presented in this Household Income Certification (HIC) is true and accurate to the best of their knowledge and belief. The undersigned further Household Members age 18 and older understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination from the HOME Program.

Head of Household Signature — *Date*

Spouse/Other Adult Signature — *Date*

Other Adult Signature — *Date*

Administrator Signature — *Date*

Income Eligibility Calculation Worksheet –Borrower

Property Address

Closing Date:

Wages –Borrower 1	Frequency of pay	Gross Annual Income
Wages – Borrower 2		
SS/Benefits		
Savings		

Assets

Checking Acct.	Avg. 6 month balance	Ending Balance
Savings		
Retirement Accounts		

Total Household Income $ _____

_____ %AMI

(Earned income + Benefits & Recurring income + .06% of Savings (over $5.000) and Retirement account balances)

*** Income calculated on gross amount per paycheck over 2-month period**

***Example of income calculation. Final approval is assessed after complete application received.**

****Maximum mortgage ability determined after credit history reviewed (housing ratio 45%)**

*****Refer to program flyer attached for income caps based on number of persons per household.**

Income Eligibility Calculation Worksheet - Montgomery County Home Fund

Earned Income

Paycheck Receipt Wage (Most recent two (2) months) Earner #1

Pay Frequency	Calculation	Gross Annual Income
Weekly	Gross amt. X 52	
Every 2 weeks	Gross amt. X 26	
Twice a month	Gross Amt. X 24	
Once a month	Gross Amt. X 12	

Paycheck Receipt Wage (Most recent two (2) months) Earner #2

Pay Frequency	Calculation	Gross Annual Income
Weekly	Gross amt. X 52	
Every 2 weeks	Gross amt. X 26	
Twice a month	Gross Amt. X 24	
Once a month	Gross Amt. X 12	

Benefits + Recurring Monthly Income

SS, SSI, SSDI	Calculation	Gross Annual Income
Gross amt. per Award Letter	Gross Amt. X 12	
Monthly recurring income		
Ex., Child Support		

Assets

Recent Savings Acct.	Calculation	Income
Recent ending Balance	X 06%	
Retirement Accts.		
Recent ending Balance	X 06%	

Total Household Income _____

(Earned income + Benefits & Recurring income + .06% of Savings (over $5,000) Retirement account balances)

***Example of income calculation. Final approval is assessed after complete application received.**
****Maximum mortgage ability determined after credit history reviewed (housing ratios 38/45%)**
*****Refer to program flyer attached for income caps based on number of persons per household.**

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 $_____

Average of ending balance in checking accounts + most recent savings

Then 0.06% of the above cash assets is added to income

Buyer Mortgage Projection

Sales Price/Market Value	
Closing Costs	
Total Cash Needed	
Allowable LTV	
Max Mortgage based on value	
Req for Down-Payment & Closing Costs	
Annual Income	
Monthly Income	
Existing Debt (Monthly)	
Max. Front End (Housing) Ratio	
Max. Back End (Total Debt) Ratio	
Max. Housing Payment (without other debt)	
Max. Total Debt Payment (inc. housing)	
Actual Housing Pmt Ability	
Property Taxes (Annual)	
Insurance (Annual)	
Association Fees (Annual)	
Mortgage Insurance Rate (% of loan amount)	
Mortgage Insurance (Annual)	
Subtotal of Monthly TI escrows	
Availabe for Principle & Interest	
Interest Rate	
Loan Term (Years)	
Projected Mortgage Qualification	
Actual Mortgage	
Mortgage Limited by	Loan to Value

Remember to turn on iterative calculations to allow circular reference to work

Montgomery County Grants and Community Development

HOME Investment Partnerships Program (HOME) Policies and Procedures

Updated 06/2022

501 North Thompson, Ste 200
Conroe, TX 77301

936-538-8060

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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:

<u>Homebuyer Assistance:</u>

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

<u>Homeowner Rehabilitation:</u>

- 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.

<u>New Construction:</u>

- 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

- Tenant-based rental assistance for the special purposes of the existing Section 8 Program.
- Non-federal matching contributions required under any other Federal program.
- 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).
- Assistance to eligible low-income housing under 24 CFR Part 248 (Prepayment of Low-Income Housing Mortgages).
- Assistance to a project previously assisted with HOME funds during an existing affordability period.
- Operating subsidies.
- Project reserve account.
- Assistance to ineligible properties such as commercial properties (to be used solely for commercial purposes), temporary shelters, emergency shelters, and student housing.
- Acquisition of property owned by the Grantee, unless it is in anticipation of carrying out a HOME project by an eligible Applicant.
- Emergency repair *program* costs.
- 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.
- Monitoring, servicing, and origination fees for HOME-assisted projects.

C. PROJECT PERIOD OF AFFORDABILITY

Period of affordability refers to the length of time HOME assisted units must remain affordable. Deed restrictions or covenants running with the land (LURA) or other approved mechanisms will ensure the period of affordability, depending on the amount of HOME dollars invested per unit in the project. After the required affordability period,

the property may be sold without HOME restrictions. The following table outlines the minimum affordability periods:

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

Owner-occupied rehabilitation projects: Since the intent of the program is to create affordable housing units, 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.

Montgomery County Grants and Community Development



HOME Underwriting and Subsidy Layering Policy and Procedure

Updated 06/2022

501 North Thompson, Ste 200
Conroe, TX 77301
936-538-8060

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 includes. 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 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 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 ***or***	
	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.	

EMPLOYEE POLICY MANUAL



MONTGOMERY COUNTY TEXAS

Distributed by: Human Resources Department
501 North Thompson, Suite 400
Conroe, TX 77301
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Effective June 21, 2004

MONTGOMERY COUNTY, TEXAS
EMPLOYEE POLICY MANUAL

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1.0 WELCOME

WELCOME

1.0-1 We are glad to have you on the team of employees that make up Montgomery County government. From temporary workers to elected officials, our job is to serve the residents of our county. We must all work together to meet their needs, earn their respect, and deserve their support.

1.0-2 As taxpayers, we ourselves expect quality service from government. As public servants, we owe it to ourselves as well as our community to ensure that we provide what is needed as economically as possible.

1.0-3 As one of the fastest growing counties in the nation, our community and its needs change constantly, and our duties and policies will change as well. Our commitment to providing the highest level of service possible will remain the same.

MONTGOMERY COUNTY, TEXAS
EMPLOYEE POLICY MANUAL
1. INTRODUCTION

1.1 MONTGOMERY COUNTY GOVERNMENTAL ORGANIZATION

ORGANIZATION

1.1-1 Montgomery County is a local subdivision of the State of Texas; as such, its organization is established by the Constitution of the State of Texas and by State statutes. Our operations are governed by state and federal law as well as the actions of Commissioners Court.

STRUCTURE OF COMMISSIONERS COURT

1.1-2 The Commissioners Court consists of four Commissioners, each elected by the voters of a Commissioner's precinct, and the County Judge, elected by voters in all areas of the county. This is the policy making body of the county.

OPERATIONS

1.1-3 County operations are conducted through departments, each administered by an elected official or appointed department head.

SERVICES

1.1-4 Under the direction of elected officials and department heads, Montgomery County employees provide important services to the public, including but not limited to: recording vital statistics, maintaining records, preserving law and order, road maintenance, conducting elections, and collecting taxes. County departments include: Airport, Animal Control, Bail Bonds, Budget, Building Maintenance, Civil Defense, Collections, Commissioners (4), Communication Information Services, Community Development Block Grant, Community Supervision & Corrections, Constables (5), County Attorney, County Auditor, County Clerk, County Courts at Law (4), County Engineer, County Judge, County Treasurer, Custodial Services, Dispute Resolution, District Attorney, District Clerk, District Courts (5), Drug Court, Elections, Environmental & Consumer Health, Extension Service, Fire Marshal, Human Resources, Indigent Defense, Justice of the Peace (5), Juvenile Probation, Law Library, Library, Lone Star Convention Center, Parks, Purchasing, Risk Management, Sheriff, Tax Assessor-Collector, and Veterans Services.

1.2 PURPOSE OF MANUAL

PURPOSE OF MANUAL

1.2-1 This manual is a reference for you which outlines the county's policies, what we expect from you, and what you can expect from us as your employer. These guidelines have been established by Commissioners Court to promote consistent, equitable, and effective practices by both employees and supervisors which will result in high quality public service.

1.2-2 Montgomery County reserves the right at any time to change, delete, or add to any of the manual's provisions. Furthermore, the policies of this manual are designed to serve as guidelines rather than absolute rules, and exceptions may be made from time to time on the basis of particular circumstances. In addition, individual elected officials and/or department heads may institute policies for employees in their particular offices which are over and above the policies which make up this manual, and those policies take precedence over the policies found here, as long as they are nondiscriminatory and legal and are meant to supplement the provisions herein.

EMPLOYMENT-AT-WILL VS. CIVIL SERVICE

1.2-3 Employees working in most Montgomery County positions are covered under the Montgomery County Civil Service Regulations, however, employees working in some departments and positions are employed "at will" which means either the employee or the County can sever the employment relationship at any time with no notice for any non-discriminatory reason or for no reason. During the interview process, each applicant will be told whether or not the position for which he or she is applying is included under or excluded from Civil Service.

1.2-4 This manual and the provisions herein do not constitute a contract of employment with any County employee.

1.3 APPLICABILITY

APPLICATION OF POLICIES

1.3-1 These policies apply equally to all employees of the County unless a class of employees is specifically exempted. In cases where federal or state laws or regulations supercede local policy for specific groups of employees, such laws or regulations will substitute to the extent necessary to comply.

CIVIL SERVICE

1.3-2 Since most County positions are covered by Civil Service, the persons holding them are also governed by Civil Service Regulations approved by the Montgomery County Civil Service Commission. These employees have the right to file a grievance with the Civil Service Commission if they are (1) suspended for more than three days, (2) demoted, or (3) discharged.

VIOLATION OF POLICY

1.3-3 Reasons for disciplinary action for positions covered by and excluded from Civil Service may include violation of the policies contained in this manual.

1.4 POLICY IMPLEMENTATION AND ADMINISTRATION

RESPONSIBILITY 1.4-1 The responsibility for policy administration is divided among County offices as follows:

A. The Commissioners Court establishes and oversees general personnel policies.

B. The Human Resources Director serves as the resource to elected officials, department heads, and employees on personnel matters and policies. The office distributes copies of newly-created and updated policies to County employees; it is during new employee orientation that new employees are first advised of the County's policies. The office also maintains the Employee Policy Manual and makes recommendations to Commissioners Court regarding needed policy changes and additions.

C. Elected officials and department heads are responsible for implementing these policies in a fair and consistent manner in all areas over which they have responsibility.

D. All regular full-time employees are given a copy of the Employee Policy Manual at new employee orientation; part-time employees are given a copy by their departmental representative.

2.0 EQUAL EMPLOYMENT/AFFIRMATIVE ACTION

EQUAL EMPLOYMENT

2.0-1 It is the policy of Montgomery County to recruit, hire, train, and promote persons in all job classifications without regard to race, color, religion, national origin, age, military status, disability, or sex, except where sex is a bona fide occupational qualification.

2.0-2 All employment and promotional decisions will be based only on valid job requirements and will be made in accordance with principles of Equal Employment Opportunity. Reasonable accommodation to religious practices will be granted if such accommodation can be effected without undue hardship on other employees and/or county operations so far as health, safety, or productivity in the workplace.

2.0-3 All other personnel actions, such as compensation, benefits, transfers, training programs, educational assistance, and social and recreational programs are administered without regard to race, color, religion, sex, national origin, military status, disability, or age.

2.0-4 In accordance with the Americans with Disabilities Act (ADA) and Section 503 of the Rehabilitation Act, reasonable accommodation will be made for otherwise qualified individuals with disabilities to afford them the same opportunities for selection and all conditions and privileges of employment as non-disabled applicants and employees.

2.0-5 The Human Resources Director administers Equal Employment Opportunity (EEO) programs at all Montgomery County facilities. As the County's EEO Coordinator and ADA Coordinator, he/she is responsible for advising elected officials and department heads of federal and state EEO and ADA laws and seeing that they comply.

2.0-6 All elected officials, department heads, and supervisors are responsible and accountable for complying with this policy and implementing it throughout their particular organizational unit.

AFFIRMATIVE ACTION

2.0-7 Montgomery County will take affirmative action to promote the principles of equal employment opportunity and may post open jobs with the Texas Workforce Commission, advise programs that cater to individuals in protected classes of open positions, and may post notices of open positions in county facilities.

MONITORING

2.0-8 The Human Resources Director will continuously monitor all personnel actions to insure that they are nondiscriminatory.

2.0 EQUAL EMPLOYMENT/AFFIRMATIVE ACTION

REPORTING

2.0-9 Any employee who has reason to believe that he has been discriminated against on the basis of race, color, religion, age, sex, national origin, disability, or military status is encouraged to contact the Human Resources Director.

2.0-10 An employee who, in good faith, reports an alleged incident of discriminatory behavior will under no circumstances be subject to reprisal or retaliation of any kind. Any employee who feels he or she has been subjected to such adverse actions should contact the Human Resources Director.

2.1 EMPLOYEE STATUS

CATEGORIES 2.1-1 Montgomery County has four categories of employment:

FULL-TIME 2.1-2 A full-time employee is one who is employed in a position that requires at least 30 work hours per week which is budgeted for at least one year.

PART-TIME 2.1-3 A part-time employee is one who is employed in a position that requires less than 30 work hours per week and is budgeted for at least one year.

*NOTE: A part-time employee who is allowed to breach their weekly hours of <30 hours per week and is allowed to work 30 or more hours per week may be eligible for medical benefits as defined by the Affordable Care Act (ACA) and the elected official/department head may need to request an increase in their budget which requires approval by Commissioner's Court.

TEMPORARY 2.1-4 A temporary employee is one who is employed in a position that has a duration of hire not to exceed one year, e.g., someone hired to complete a specific project or work for a specified period of time.

SEASONAL 2.1-5 A seasonal employee is one who is employed in a position that has a duration of hire for a maximum of 6 months.

2.2 RECRUITMENT, SELECTION, PROMOTION, DEMOTION

JOB POSTINGS 2.2-1 As an efficient means of filling vacant County positions, and in an effort to communicate employment opportunities to surrounding communities, vacant positions may be posted with the Human Resources Department. Once the department notifies Human Resources of the employment need, a "Notice of Job Posting" is created and posted in the Human Resources Department, circulated to all county departments, and sent to various agencies, including the Texas Workforce Commission. Additionally, the position is included on the Human Resources Department's job line and on the County's website.

REFERRAL 2.2-2 Applicants for most jobs (law enforcement and professional positions are excluded) must get a referral from the Texas Workforce Commission.

TESTING 2.2-3 Applicants for clerical positions must receive a typing test administered by the Texas Workforce Commission; the Montgomery County Human Resources Department administers a clerical skills test. Only those applicants meeting or exceeding the minimum qualifications for positions (as set by the hiring department) are referred to the department with the job opening.

APPLICATION 2.2-4 All applicants for Montgomery County positions must complete a Montgomery County Application for Employment, a copy of which will be forwarded to the department with the job opening.

DOCUMENTATION 2.2-5 All applicants selected for positions which require education above the high school level will be required to provide copies of official transcripts or other acceptable official documentation from the colleges or universities they attended. Persons hired to fill positions that require special training, licensing, or certification must also provide satisfactory evidence of completion of the stated requirements. Said documentation must be received by the elected official or department head or his/her designee prior to the applicant being sent by the department for his/her post-offer pre-employment drug screen; a copy of the documentation must be forwarded to the Human Resources Department for inclusion in the employee's personnel file.

SELECTION 2.2-6 Each elected official and department head selects the employees which make up his or her department. Once a selection has been made, the department should notify Human Resources so the job can be closed.

2.2 RECRUITMENT, SELECTION, PROMOTION, DEMOTION

DISQUALIFICATION 2.2-7 An applicant shall be disqualified from consideration if he/she:

A. Does not meet the minimum qualifications necessary for the performance of the position for which he/she is applying;

B. Fails to provide documentation as required in Section 2.2-5 of this policy, if applicable;

C. Has knowingly made a false statement on or omitted relevant information from the application form or any other documents related to, or which have bearing on, the selection process;

D. Has committed or attempted to commit a fraudulent act at any stage of the selection process;

E. Is not legally permitted to hold the position;

F. Has a positive result on a post-offer, pre-employment drug screen;

G. Is unable to perform the physical requirements of the position (relates only to particular job types) as determined by a job-related post-offer, pre-employment physical agility test; or

H. Is determined to be unqualified on other reasonable, nondiscriminatory grounds.

PROMOTIONS 2.2-8 A promotion is movement to a position with a higher salary grade (i.e., a higher salary range and rank) which requires greater skill and responsibility. It is the County's policy to give qualified employees advancement opportunities whenever possible. Therefore job vacancies will be posted unless a qualified individual from within the same department is identified and promoted. In all cases, promoted individuals must meet or exceed the basic qualifications for the position as stated in the completed Position Description Questionnaire. Interviews are scheduled at the discretion of the department.

DEMOTIONS 2.2-9 A demotion is the movement of an employee from his/her present position to one with a lower pay grade and/or salary level. Acceptable reasons for demotion are:

A. Employee's request (this must be in writing)

B. Job evaluation, if a review of the Position Description Questionnaire determines that the position should be at a lower pay grade. All requests for review of any position must be submitted to the Human Resources Department.

2.2 RECRUITMENT, SELECTION, PROMOTION, DEMOTION

C. Reduction in force: A reduction in the County budget (including a reduction in revenues as a result of a discontinuation of grant or other reimbursed funds), as well as changes in program emphasis or lack of work, may cause a reduction in force. Employees who are affected by a reduction in force may be considered for a demotion in lieu of layoff. Such a demotion is possible only if approved by Commissioners Court and if a vacant position exists where the affected employee may be placed with the consent of the elected official or department head.

D. Disciplinary action: When a demotion is the result of a disciplinary action, the elected official, department head, or his/her designee must provide the employee with the specific reason in writing. The salary of an employee who is demoted may be reduced and in all cases will be no more than the maximum for the salary range for the grade.

E. Disqualification: An employee who is found to be unqualified or who becomes disqualified to perform the position held, e.g., a certified peace officer who loses his/her law enforcement certification. In all such cases:

1. The employee must notify his/her supervisor within seven days of lack of qualification that he/she is not qualified/no longer qualified to hold the position. Failure to do so will result in disciplinary action, up to and including termination of employment.

2. Within the same pay period of being notified, the elected official or department head is required to (1) terminate the individual's employment; (2) transfer the employee to another open position for which he/she is qualified; or (3) submit a Position Description Questionnaire to the Human Resources Department for a modified position for which the employee is qualified and the department has a need. Human Resources will recommend an appropriate salary within the salary range for the new position, and the department will complete a Payroll Change Request Form to transfer the employee to the new position; said transfer will likely result in a decrease in pay. If the employee is retained, the effective date of the transfer to another position shall be the date of disqualification. Creation of a modified position must be approved by Commissioners Court.

2.3 DATE OF HIRE/DATE OF TERMINATION

PURPOSE

2.3-1 It is important that Montgomery County be consistent in the manner in which an employee's date of hire and date of termination are determined.

EFFECTIVE DATE OF HIRE

2.3-2 A person's date of hire is the first day he is required to be physically present at the job site to perform the duties of the job. No one may begin working until after the department has been notified by Human Resources that the prospective new employee has received a negative result on a pre-employment, post-offer drug screen and, if applicable, he/she has passed a job-related physical agility test.

EFFECTIVE DATE OF TERMINATION

2.3-3 An employee's date of termination shall be his last day physically present at the job site. The only exception to this policy shall be when an existing employee is not hired or retained by a newly-elected official, in which case his termination date shall be the date the newly-elected official takes the oath of office (normally January 1), allowing him to be eligible for benefits under the Montgomery County Employee Benefit Plan through the end of that month if otherwise entitled to same. The employee who is not hired or retained will receive payment for the number of hours he would have been paid for that day had his employment continued. (Example: An employee who normally works an 8-hour day would receive payment for 8 hours for January 1.)

PAPERWORK NEEDED

2.3-4 As soon as the decision is made to hire a particular individual, the department must contact Human Resources to schedule a drug screen and, for some positions, a physical agility test. A completed Payroll Change Request Form (HR-001) must be received by the Budget Office by 8:00 a.m. on the Tuesday before the Monday's Commissioners Court session at which it is to be approved.

RESIGNATIONS

2.3-5 As soon as an employee gives notice that he plans to resign the elected official or department head should complete a Payroll Change Request Form, showing the last day the employee will physically work as the effective date, and forward it to the Budget Office. The employee will receive payment for accrued time as defined in other policies in this manual. Payment for accrued leave, if any, will be delayed if forms are not sent to the Budget Office in a timely manner.

DISCHARGE

2.3-6 When an individual is discharged, a completed Payroll Change Request Form must be forwarded to the Budget Office. The date of termination is the last day the employee was physically present at the job site unless the employee had been suspended, in which case the effective date would be the date of the decision to discharge. The employee will receive payment for accrued time as defined in other policies in this manual.

2.4 PROBATION

NEW EMPLOYEE

2.4-1 Montgomery County employees in positions covered by Civil Service have a six-month probationary period before they are covered by Civil Service. Until the six months have been completed, these individuals, as well as those in positions excluded from Civil Service, are employed "at will" which means they can be terminated for any reason (other than an illegal reason, e.g., because of their age, race, sex, etc.) or for no reason, with or without notice.

PROBATIONARY INCREASE

2.4-2 The first few months of employment are a time of evaluation for both the employee and the employer. Some departments structure their reward system so that they have funds available to grant a salary increase after a three- to six-month period if the new employee's performance is consistent with or exceeds expectations.

DISCIPLINARY ACTION

2.4-3 Actions or inaction by an employee which result in the necessity for the supervisor to complete a Documentation of Second Level Discipline form (HR-11) or a Documentation of Third Level Discipline form (HR-12) have the effect of placing the employee on probation (which Webster defines as "critical examination and evaluation"). While the word "probation" may not necessarily be used in conjunction with a disciplinary action, verbal and written documentation is a way for the supervisor to alert the employee to the fact that his/her job performance and/or behavior is unacceptable and to give the employee time to improve.

2.5 EMPLOYEE TRANSFER POLICY

TRANSFERS AUTHORIZED

2.5-1 Montgomery County employees may transfer from one department to another with the approval of the elected official or department head of the receiving department. Following are the different types of transfers:

A. Promotion: A transfer to a position with a higher salary grade.

B. Demotion: A transfer to a position with a lower salary grade.

C. Lateral: A transfer to a position with the same salary grade.

CHANGE IN STATUS

2.5-2 An employee who transfers from a position covered under Civil Service to a position which is excluded from Civil Service will no longer be covered under Civil Service.

BENEFITS

2.5-3 All accrued benefits (vacation, sick leave, etc.) transfer with the employee to the new position.

REQUIRED PAPERWORK

2.5-4 In order to effect the transfer, the receiving department must submit a completed Payroll Change Request Form to the Montgomery County Budget Office by 8:00 a.m. on the Tuesday before the Monday's Commissioners Court session at which it is to be approved.

2.6 TRAVEL AND AUTO EXPENSES

PURPOSE

2.6-1 The Commissioners' Court allocates funds annually for the payment of travel expenditures for county employees and officials within the individual departmental budgets. Travel expenditures paid from these budgets must serve a public purpose for Montgomery County. These expenditures may be paid directly to the vendor or provided as a per diem to the employee/official upon completion of their travel. Advance payments to vendors may be accommodated by issuance of a check or use of a County procurement card. Eligible expenditure categories under this policy include: Lodging, transportation, registration fees, and other fees (with justification). Each category is further defined below.

CONTRACT RATES

2.6-2 Montgomery County is a "Cooperative Purchasing Participating Entity" with the State of Texas. This program is also known as TPASS (Texas Procurement and Support Services) State Travel Management Program (STMP). This gives County employees and officials access to the contract rates negotiated by the State for hotels and rental cars. Procurement procedures for these contract services are explained within the categories below.

LODGING (In and Out of State)

2.6-3 Hotel: These sites are provided as guidelines only:
Hotel reimbursements are limited to the Federal Travel Regulations set forth by U.S. General Services Administration (GSA) by location, not including taxes. The rates are set annually and vary by month and location. Based on the traveler's destination the maximum rates for lodging per day can be found at the following:
http://www.gsa.gov/portal/content/104877?utm_source=OGP&utm_medium=print-radio&utm_term=perdiem&utm_campaign=shortcuts

Montgomery County's membership as a "Cooperative Purchasing Entity" gives County employees and officials access to the contract rates negotiated by the State for hotels. Participating hotels can be found at the following website: http://portal.cpa.state.tx.us/hotel/hotel_directory/index.cfm (be sure to check the correct fiscal year). **When making a reservation the traveler must ask for the State of Texas Contract rate (not the government rate) and be prepared to provide the County's agency #: C1702.**

If the organizer of a conference/seminar has negotiated discount rates with a hotel(s), the traveler may choose these lodgings and the traveler may reserve the room at the group rate.

While Montgomery County intends for all employees to stay at safe and comfortable lodging environments, travelers are expected to make every effort to procure the best and lowest rates available for that area.

2.6 TRAVEL AND AUTO EXPENSES

Travel websites including but not limited to Expedia and Travelocity **shall not be used for booking lodging.

Travel Days: Employees should minimize overnight stays. An additional night's lodging is allowable before and/or after the event only if the driving distance and event start/end times make it unreasonable to travel the day of the event.
Additional fees allowable: Parking
Fees not allowable: Internet (except for County business), phone charges, laundry, safe fees, Texas state sales tax.
Gratuities: Gratuities are not reimbursable for any lodging services.
Prepaid Lodging: Prepaid lodging services should be accurately calculated to prevent delays in processing travel reimbursements.
Procurement Card: The traveler may use the procurement card to make lodging reservations. Contact Purchasing to arrange to use the procurement card assigned to the department or traveler.
Documentation: A final hotel bill with a zero balance is required even if lodging is paid by the procurement card. The hotel bill should be scrutinized before traveler departs to make sure all charges are valid, and notify hotel of any invalid charges and resolve issues before departing. Any invalid charges will be the responsibility of the traveler. A copy of the itemized hotel statement must be submitted with the travel requisition claim, even if the traveler used a County procurement card to purchase lodging services or prepaid by County check. Event agenda/documentation or a letter from the traveler describing the event/meeting is required.
Changes/Modifications to Reservations: In the event of modifications including cancellation of reservation, the traveler must obtain a confirmation number and note the name of the person they spoke with in case the hotel charges the traveler. Expenses resulting from changes or modifications to travel reservations will be paid by the County if the traveler produces documentation that a family emergency exists or if County business prevented travel.

MEALS

2.6-4 Per Diem Rate: A flat meal rate of $51/day will be paid to the traveler. The traveler's per diem on the departure day and final day of travel will be at 75% of the per diem.
Day Trips: Meals will not be reimbursed for trips that do not require an overnight stay.
Procurement Card: No meal purchases are allowed on any County procurement card.
Documentation: No meal receipts are required. Event agenda/documentation or a letter from the traveler describing the event/meeting is required.

2.6 TRAVEL AND AUTO EXPENSES

TRANSPORTATION

2.6-5 Personal Vehicle: Use of personal vehicle will be reimbursed at the current rate/mile set by Commissioners' Court. Mileage should be calculated using the shortest distance of either the County office location or the traveler's home address and the event location. Mileage should be calculated using a readily available online mapping service. A printout of the route detailing the mileage must be provided in lieu of the mileage report page of the Travel Payment Requisition. Employees receiving an auto supplement may not be reimbursed for mileage.

Allowable Expenses: Parking and tolls with documentation.

Travel within Montgomery County: Mileage-only travel forms (i.e., regular office errands) should be completed and submitted by the end of each month. In-county travel does not require the use of an online mapping service. The mileage report page of the travel requisition must be appropriately filled out and submitted.

County Vehicle: County vehicles are to be used **only** for County business. Under no circumstances will family members be allowed to drive County vehicles. Employees' actions in County vehicles are observed by the public; this necessitates good conduct and driving habits by employees. Authorized Driver forms must be completed and on file in Risk Management.

Accident: In case of an accident, however minor, a full report must be made to the Risk Management Department. Failure to observe this rule could result in disciplinary action.

Fuel Purchases: Fuel purchases when using a County vehicle should be made with the County procurement card if available. Original receipts will accompany the procurement card statement.

Withholding Taxes: To the extent required by I.R.S. laws, rules and regulations, when County vehicles are assigned to the exclusive use of individual employees, $3.00 per day will be declared as salary, subject to withholding taxes.

Allowable Expenses: Parking and tolls with documentation required.

Airfare: Airfare is reimbursable only for coach/economy full-service seat based on the required arrival of the event. The payment confirmation and itinerary must be presented with the travel reimbursement form. The traveler will be responsible for the excess charges of an airline ticket purchase other than a coach/economy seat.

Allowable Expenses: Bag fees. Fare changes are allowable if business related or due to family emergency with appropriate documentation of such.

Unallowable Expenses/Fees: Any upgrades from the base coach/economy full-service ticket, all fees/fares for changes made for personal reasons (i.e., extra legroom).

Rental Car: These sites are provided as guidelines only.

Rental cars are limited to the negotiated TPASS rates listed at: http://www.window.state.tx.us/procurement/prog/stmp/stmp-rental-car-contract/vendor-comparison/. The contact information for Enterprise is listed here: http://www.window.state.tx.us/procurement/prog/stmp/stmp-rental-car-contract/Enterprise/. It is recommended to make your reservations at least 14 days

in advance and provided the County's agency # **TXC1702**. The traveler should select a value priced vehicle comparable in size to the number of County travelers. The traveler may use a non-contract vendor at an overall rate lower than the contract rates with no penalty. The original contract/receipt must be presented with the travel reimbursement form or a copy if a County procurement card is used. The traveler will be responsible for any excess charges not included in the TPASS rates or for choosing a vehicle size not comparable with the number of travelers on the trip. Insurance is included in the negotiated TPASS rates, if a traveler chooses to take out additional insurance the cost of that insurance is the responsibility of the traveler.

Enterprise:

- Optional customer, coupon or corporate number is **06E1410**
- Enterprise will automatically bill Montgomery County when the reservations is made so the department will need to process a blanket release before departure.

Unallowable Fees/Charges: GPS, premium radio, child safety seats, additional insurance, one way rentals.

Allowable Expenses: Parking and tolls allowed with documentation.

Other Transportation: Other forms of transit (bus, taxi, train) are reimbursable with an original receipt.

Gratuities: Gratuities are not reimbursable for any transportation services.

Procurement Card: The traveler may use a County procurement card to make transportation reservations for air travel and rental car services. Contact Purchasing to arrange to use the procurement card assigned to the department or traveler.

Documentation: Original receipts are required for all transportation reimbursements paid by the traveler. Transportation services obtained with a County procurement card require a copy of the receipt. Additional requirements are noted within each category above. Event/agenda documentation or a letter from the traveler describing the event/meeting is required.

REGISTRATION

2.6-6 Registration Fees: Registration fees are reimbursable for events that serve a County purpose. Registration fees for golf tournaments, tours, spouse attendance guest fees, and other recreational events are not reimbursable.

Procurement Card: The traveler may use a County procurement card to register for an event. Contact Purchasing to arrange to use the procurement card assigned to the department or traveler.

Documentation: An original receipt must be obtained upon registration and submitted with the reimbursement request if paid by the traveler. A copy of the receipt must be provided if registration is paid on a County procurement card with the original receipt being submitted with procurement card statement. Acceptable receipts must detail the amount of the fee and type of payment used. Event agenda/documentation or a letter from the traveler describing the event/meeting is required.

2.6 TRAVEL AND AUTO EXPENSES

GRANTS: **2.6-7** Travel expenditures from Federal and State grants must also conform to the granting agency's funding requirements as well as those of the Montgomery County Travel Policy.

TRAVEL PAYMENT REQUISITION: **2.6-8** The traveler must use the current travel payment requisition attached for all travel related services addressed in this policy. Only travel related expenditures may be submitted for reimbursement on the travel reimbursement form. After completing all required information, including any prepaid travel expenses, the travel form must be signed/dated by the traveler and the department head/elected official. Travel reimbursement request must be submitted to the County Auditor within 60 days of the last date of travel.

TRAVEL OUTSIDE OF THE UNITED STATES: **2.6-9** All costs associated with travel outside of the U.S. must be converted to U.S. dollars before submission for reimbursement.

2.7 PROFESSIONAL MEMBERSHIPS

PAYMENT

2.7-1 Montgomery County will pay for memberships in organizations and associations when:

A. The organization promotes the aims of Montgomery County and is beneficial for taxpayers and county government;

B. The membership is held in the name of the county or jointly in the name of the county and an individual holding a position with the county; or

C. The membership is required to be held in the name of an individual whose position in the county is a requisite for such membership.

2.7-2 Montgomery County will not pay professional or association membership dues or fees when the membership is obviously beneficial only to the individual or is a condition of employment for the individual, e.g., dues to the State Bar of Texas for an attorney.

2.8 PRIVACY

PURPOSE

2.8-1 As a Montgomery County employee you have the right to expect a reasonable level of privacy as you conduct your daily business. However, that right must be balanced against Montgomery County's need for supervision, control, and the efficient operation of the workplace. It is also the County's duty to provide a safe work environment.

TECHNOLOGY

2.8-2 All messages or files created, sent, retrieved or downloaded over the County's e-mail/Internet system are the property of the County. With the exception of information made confidential by State statute, the County reserves the right to access and monitor all messages and files on the County's e-mail/Internet system. Do no assume electronic communications are totally private and do not transmit highly confidential data using this medium. Also, deleted e-mails and a history of accessed web sites can be retrieved. All electronic and telephonic communications systems and all information transmitted by, received from, or stored in these systems are the property of Montgomery County. County employees and other users of the County's electronic and telephonic communications systems have no expectation of privacy or any personal privacy right in connection with the use of these systems, or with the transmission, receipt, or storage of information in these systems.

MONITORING

2.8-3 Elected officials and department heads have the authority to request Communication Information Services to inspect the contents of any equipment, files, calendars, or electronic mail of their subordinates in the normal course of their managerial responsibilities. Reasons for review include but are not limited to system hardware or software problems, general system failure, regular system maintenance, a lawsuit against Montgomery County, suspicion of a crime or violation of policy, review of employee work, a need to perform work, or to provide a service.

RIGHT TO SEARCH

2.8-4 In your absence, departmental supervisors have the right to search desks, drawers, credenzas, and other work spaces to retrieve a needed file or other work document as necessary for the efficient operation of the department.

2.8-5 If you are given a locker or other storage area that needs to be secure, the County will furnish the lock and keep a copy of the key or combination; if you furnish a personal lock you must give your supervisor a copy of the key or combination.

2.9 DISCIPLINE

DISCIPLINARY PROCEDURES

2.9-1 Montgomery County expects employees to follow departmental and County policies and to perform their jobs to the best of their abilities. In most cases we follow a system of progressive discipline and counseling geared to correct problems rather than penalize employees. This policy applies to both exempt and non-exempt employees, however in some cases it may not apply to employees not covered by Civil Service.

STEPS

2.9-2 The steps of progressive discipline will normally include, but may not in some cases, the following:

A. Verbal counseling or oral warnings: Normally the first indication of a performance problem or a violation of policy, consisting of a verbal conference with the employee. This is designed to advise the employee of the problem which has resulted in unsatisfactory behavior or performance. An informal note, including the date of the discussion and what was said, should be placed in the employee's file.

B. First Level Discipline: For dealing with the continuation of minor offenses, when two or more previous verbal warnings or reprimands do not result in the correction of the problem by the employee. The action should be documented on form HR-10, First Level Discipline, be signed by the supervisor and employee, and should also allow for the employee to respond. Copies should be distributed to the employee and the Human Resources Department and a copy retained by the supervisor.

C. Second Level Discipline: For dealing with serious offenses or a continuation of minor offenses that were not corrected in the first level of discipline. This level may be used without using the first when the offense is serious enough to warrant such action. The action should be documented on form HR-11, Second Level Discipline, be signed by the supervisor and employee and should also allow for the employee to respond in writing. Copies should be distributed to the employee and the Human Resources Department and a copy retained by the supervisor. Second level discipline could include:

   1. Placing the employee on probation; or
   2. Placing the employee on an unpaid suspension for three days or less.

D. Third Level Discipline: This level of discipline deals with major offenses or a continuation of minor offenses which were not corrected in the first or second levels of progressive discipline. This level may be used without the use of the first or second levels when the severity of the offense makes this level of discipline appropriate. All cases of third level discipline should be recorded on form HR-12, Third Level Discipline, and be specific enough that the employee understands the severity of the action. Third level discipline could include:

1. Unpaid suspension for more than three days

2. Demotion to a position with a lower salary grade and/or pay rate

3. Discharge

2.9-3 For employees covered by Civil Service, all cases of third level discipline must be recorded on form HR-12, Third Level Discipline, and must be properly documented so that the employee understands the severity of the action and is given the opportunity to respond in writing to the department head before formal action is taken by the department. Once the employee has responded or declined to respond, any action taken should be documented by the elected official/department head or his/her designee using form HR-13, Notification of Disciplinary Action. Copies should be given to the employee and the Human Resources Department and a copy retained by the department.

2.9-4 There are some infractions which are so serious as to constitute a basis for immediate discharge without going through the steps listed above. Examples include but are not limited to theft, fraud, insubordination, being on duty under the influence of alcohol or illegal drugs, fighting, and/or willful property abuse.

2.9-5 Although supervisors are encouraged to follow the above disciplinary procedures, all employees are employed “at will” during their first six months of employment and may be terminated at any time, with or without reason or notice. Even those in positions covered by Civil Service are not guaranteed that each step of progressive discipline will be followed.

2.9-6 Employees in positions covered by the Montgomery County Civil Service Regulations have the right to grieve suspensions of more than three days, demotions, and discharges to the Montgomery County Civil Service Commission.

2.9 DISCIPLINE

EXEMPT EMPLOYEES

2.9-7 Exempt employees who violate workplace conduct rules (defined by the FLSA as behavior such as sexual harassment, violence, drug or alcohol use, or violation of state or federal laws) may be suspended for one or more full days.

SAFETY RULES

2.9-8 As allowed under the FLSA, deductions may be made from the pay of exempt employees for penalties imposed in good faith for infractions of safety rules of major significance, defined by the FLSA to include "those relating to the prevention of serious danger in the workplace or to other employees." The deduction does not have to be proportional to the time for which the employee is suspended. Deductions from the pay of non-exempt employees will be based on the number of hours of unpaid suspension.

RECORDS RETENTION AND DESTRUCTION

2.9-9 Records created by or for the Montgomery County Civil Service Commission or by or for personnel or supervisory officers in considering, or reconsidering on appeal, a disciplinary action (i.e., a Verbal Reprimand, Counseling or Warning, a First Level Discipline, a Second Level Discipline or a Third Level Discipline) against an employee, including, but not limited to, witness and employee statements, interview reports, exhibits, reports of findings, and decisions and judgments must be retained for two years after the civil service case is closed or the action is taken, as applicable. Upon the expiration of that time, the Montgomery County Civil Service Commission may, at its discretion, order that such records in its custody be removed from its files and destroyed. Likewise, upon the expiration of that time, such records contained in the employee's departmental personnel file and such records in the employee's personnel file in Human Resources may, at the discretion of the elected official or department head for whom the employee then works or last worked, be removed from the files and destroyed; provided, however, that nothing in this sentence shall prohibit the Human Resources Director from removing documents from an employee's personnel file and destroying same in accordance with a uniformly applied document retention and destruction schedule.

2.10 COMPLAINT PROCEDURE

PURPOSE

2.10-1 Sometimes employees and their supervisors have misunderstandings that warrant a formal path of communication and appeal to review impartially a difference of opinion or dispute which may be due to interpretation or application of policy. This procedure is specifically not applicable to situations where disciplinary action has been taken by the employee's elected official or department head.

2.10-2 A complaint, or written concern, shall be filed as promptly as possible but not later than ten days after the action or disagreement becomes known to the employee. This procedure may be used without fear of retaliation.

PROCESS

2.10-3 The steps of the complaint process are as follows:

A. Step 1: The employee discusses the problem with the immediate supervisor. Many times a complaint can be resolved at this step. If the employee does not receive a satisfactory reply within one week, he or she should then advise the immediate supervisor that he/she wishes to proceed to Step 2.

B. Step 2: The employee, immediate supervisor, and elected official or department head meet. If the complaint or concern is still not resolved, the employee notifies the Human Resources Director in writing of his/her complaint or concern, stating the nature of the complaint, and his/her desire to meet in hopes of resolution of the problem.

C. Step 3: As soon as possible, the Human Resources Director arranges a meeting of those concerned, to include the immediate supervisor, the employee, and herself. The complainant may bring another employee of his/her choice to the meeting. The complainant and the elected official or department head will receive written replies from the Human Resources Director within one week following the meeting.

D. Step 4: Relative to departments headed by officials appointed by Commissioners Court or other governing body, in cases where supervisors choose not to take the recommendation of the Human Resources Director and the complaint remains unresolved, the Human Resources Director will discuss the matter with the members of Commissioners Court or the other governing body, as applicable. Relative to departments headed by elected officials, except in cases which involve illegal behavior and/or discrimination, the decision of the elected official shall be final.

MONTGOMERY COUNTY, TEXAS
EMPLOYEE POLICY MANUAL
2. EMPLOYMENT PRACTICES

2.11 CELLULAR TELEPHONE

PURPOSE

2.11-1 County employees whose job duties require constant communication may be entitled to extra compensation, in the form of a cell phone allowance, to cover the business-related expenses of operating a cell phone.

ELIGIBILITY

2.11-2 Cell phone allowances will be at the discretion of the Elected Official/Department Head that has an established Mobile Telephone Budget (Line 7423). Cell allowances cannot exceed the amount currently budgeted in that Department's line 7423 and shall adhere to the defined allowance amounts.

2.11-3 Administration of the cell phone allowances will be made between the Elected Official/Department Head and Human Resources.

EMPLOYEE'S RESPONSIBILITIES

2.11-4 In order to receive a cell phone allowance, the employee must have a cell phone available to them for business purposes as long as the cell phone allowance is in place. County employees receiving a cell phone allowance are personally liable for any contractual agreement that they enter or any other arrangement for cell phone use. The cell phone allowance is intended to cover most of the cost of the cell phone expenses related to work duties. However, the employee will pay any costs exceeding the amount of the cell phone allowance to the cell phone provider.

2.11-5 The phone is considered the employee's personal property. The initial purchase of the cell phone, accessory equipment, and activation fees will be the responsibility of the employee. Any repairs, replacements, upgrade or purchase of prepaid time of the phone device will not be reimbursed by the County.

2.11-6 Employees will ensure that the mobile telephone service is reliable in Montgomery County, Texas.

2.11-7 Any number changes must be reported to the employee's respective Elected Official/Department Head.

FEES FOR CONTRACT CHANGES OR CANCELLATIONS

2.11-8 Contract termination fees (if assessed by the service provider) will not be paid or reimbursed by the County. This includes termination fees of employees who quit, are terminated, transfer to another department, or are moved into another position with no cell phone allowance.

2.11 CELLULAR TELEPHONE

PAYMENT OF ALLOWANCE

2.11-9 Once determined that an employee is eligible, the Elected Official/Department Head may assign allowances based on the following tiers of usage:

Allowance Amounts (monthly):

- Tier 1 = $20
- Tier 2 = $40
- Tier 3 = $70
- Tier 4 = $80

2.11-10 The cell phone allowance will be processed through Montgomery County Payroll as taxable income and is subject to standard payroll withholdings to the extent required by Federal Law.

2.11-11 The allowance will be paid bi-weekly.

CELL PHONE USAGE

2.11-12 Workplace – Employees receive a cell phone allowance due to the critical need to maintain accessibility with County staff and officials in order to ensure the uninterrupted flow of services to our constituents. Excessive personal calls during the work day, regardless of the phone used, can interfere with employee productivity and is distracting to others. Employees should endeavor to make or receive personal calls during designated breaks, lunch periods, before and after working hours. Excessive time spent on personal calls may warrant disciplinary action at the discretion of the Elected Official/Department Head.

2.11-13 Operating a motor vehicle – When operating a vehicle in the course of one's employment, either county or personally owned, safe operation of the vehicle is the employee's primary responsibility; employees are personally liable for any misuse of a cell phone. Employees who need to take or make a call while driving must pull off the road and be parked in a safe location before making or receiving a phone call. The County shall not be responsible for any failure to obey any state, county or other law or regulations prohibiting cell phone use.

RECORDS REQUESTS

2.11-14 County employees must understand that use of their personal cell phones for business purposes may be subject to disclosure pursuant to the Public Information Act.

2.11 CELLULAR TELEPHONE

INFORMATION TECHNOLOGY

2.11-15 For all cell phones, regardless if they are County-owned or employee-owned, connections to County messaging services or County-licensed applications may be loaded and configured only as authorized by Information Technology (IT), consistent with the IT cellular telephone policy. IT can provide only limited support for personal cell phone devices and will not provide troubleshooting services for employees who elect to purchase devices with operating systems other than those recommended by IT.

2.11-16 Should a County-owned or employee-owned device become lost, stolen or otherwise become a risk to the County computing environment, IT maintains the right to remove County messaging or County-licensed programs from the device remotely.

3.0 RULES OF CONDUCT

RULES OF CONDUCT

3.0-1 It is impossible to create a list of all activities that could be considered illegal or contrary to good business practices. Any act or omission which is not consistent with this policy, however, could be grounds for disciplinary action.

PROHIBITED ACTIVITIES

3.0-2 As a Montgomery County employee you are prohibited from doing the following:

A. Willfully causing damage to or removing County property without authorization; wasting public supplies through negligence or willful misconduct;

B. Committing an act of violence on County premises;

C. Engaging in an action which causes you to be convicted of a criminal offense involving moral turpitude. The word "convicted' means a finding of guilt by either the judge or jury without regard to subsequent disposition of the case by suspension of sentence, probation, and deferred adjudication or otherwise. The words "moral turpitude" mean any act of baseness, vileness or depravity; or any act done with deception, or through corrupt motives, or as defined by state law and/or decisions made under state law;

D. Being dishonest; lying about or concealing a material fact concerning a matter under investigation and/or relating to public services under your responsibility;

E. Engaging in any conduct unbecoming an employee of the County while performing job duties;

F. Repeatedly being tardy or absent; being absent without legitimate cause, or failing to inform your supervisor of absence within a reasonable time period;

G. Refusing to work as directed, willful neglect of duty, malingering, or shirking of duties;

H. Being at work while under the influence of drugs or alcohol;

I. Falsifying employment applications, time sheets, and/or accounting, personnel, or other records, including the omission of pertinent data;

J. Willfully violating or disregarding safety, health, fire, security or employment regulations, signs, and notices;

3.0 RULES OF CONDUCT

K. Divulging information which you have been told is confidential and not to be shared with others;

L. Permitting another person to substitute or falsely use your official badge or identification card;

M. Openly carrying a firearm (including a handgun) on County premises unless you are a licensed peace officer, member of law enforcement, judge or prosecutor. An employee may however possess a concealed handgun on County premises as allowed by law if you are licensed to carry a handgun under Subchapter H, Chapter 411, Government Code. Notwithstanding a handgun license, you are prohibited from possessing a concealed handgun or other firearm anywhere the possession of a handgun or firearm is prohibited by law, including but not limited to, the following: (1) on the premises of any government court or offices utilized by the court, (2) on the premises of a polling place on the day of an election or while early voting is in progress, or (3) in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code. *See* TEX. PENAL CODE §§ 46.03, 46.035.

N. Attempting to undermine or discredit your elected official, department head, and/or supervisor;

O. Engaging in any behavior meant to or which has the effect of intimidating or humiliating another individual; this would include bullying, gossiping, harassment, and verbal abuse.

P. Engaging in horseplay.

3.0-3 County officials and employees shall not:

A. Hold financial interests that are in conflict with the conscientious performance of their official duties and responsibilities except to the extent permitted by Texas statutes;

B. Engage in any financial transaction in order to further any private interest using non-public information which they obtain in the course of their work as a county official or employee;

C. Use their public offices for private gain;

D. Engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official duties and responsibilities;

E. Make any unauthorized commitments or promises of any kind purporting to bind the county or any of its components.

3.0 RULES OF CONDUCT

EXPECTED BEHAVIOR

3.0-4 County officials and employees shall:

A. Act impartially and not give preferential treatment to any private or public organization or individual;

B. Protect and conserve public property and use it for only authorized activities;

C. Promptly disclose waste, fraud, abuse, and corruption to appropriate authorities;

D. Adhere to all laws, regulations, and policies that provide equal opportunity for all persons regardless of race, color, religion, sex, national origin, age or disability;

E. Avoid actions that would create the appearance that they are violating the law or the ethical standards of the Texas Ethics Commission;

F. Dress appropriately based on the guidelines set by the particular department in which they work.

MONTGOMERY COUNTY, TEXAS
EMPLOYEE POLICY MANUAL
3. EMPLOYEE RESPONSIBILITIES

3.1 ATTENDANCE

EXPECTATION

3.1-1 Being available to work hours scheduled is an essential function of each employee's job. All employees should regard coming to work on time, working their shifts as scheduled, and leaving at scheduled times as an important part of their job description.

DEFINITION

3.1-2 Among other things, "good attendance habits" means the following:

A. Being at your work station and ready to work by the start of the shift;

B. Remaining at your work station unless the needs of the job require being elsewhere, except during authorized breaks (including restroom breaks);

C. Taking only the time normally allowed for breaks, if any;

D. Remaining at work during your entire shift, unless excused by a supervisor;

E. Leaving promptly at the end of your shift, unless you have been given advance permission from your supervisor to work past that point; and

F. Calling if you are going to be either absent or tardy, unless a verifiable emergency makes it impossible for you to do so.

NOTICE OF ABSENCE OR TARDINESS

3.1-3 Under some circumstances, absence or tardiness on your part may be excused, but only if you give proper notice of such a problem before the start of your shift, if possible. Your department needs advance notice if you are not able to be at work so that other arrangements can be made to cover your absence, if necessary. "Proper notice" means that you call your supervisor or other person designated by your elected official or department head prior to the start of your shift and personally notify him or her about the problem unless a verifiable emergency makes it impossible for you to do so. It is not sufficient to call in and leave a message with a coworker or someone else who is not in a supervisory position unless authorized by your elected official or department head.

3.1-4 If you fail to give proper notice of attendance problems in advance as explained in this policy you may be subject to disciplinary action, up to and including discharge.

JOB ABANDONMENT

3.1-5 Unless there are extenuating circumstances, if you are absent without notice for two days in a row you will be considered as having abandoned your job, and Montgomery County will process your work separation as a voluntary resignation on your part.

3.2 DRUG FREE WORKPLACE

PURPOSE

3.2-1 Montgomery County wishes to have a safe and productive workplace, one that is free of drugs and alcohol.

EDUCATION

3.2-2 The County, through the Human Resources Department, will implement a comprehensive drug and alcohol abuse education program.

TREATMENT

3.2-3 Alcoholism and other drug addictions are recognized as diseases responsive to proper treatment. For this reason, the County offers treatment under the Montgomery County Employee Benefit Plan (see the Plan Document for details) to those covered under the Plan; others would have to seek treatment at their own expense.

PROHIBITED ACTIVITIES

3.2-4 Employees are specifically prohibited from manufacturing, distributing, dispensing, possessing, purchasing, and using controlled substances (including inhalants) in the workplace or in any other facility, location, or transport in which the employee is required to be present in order to perform his or her job duties except for drugs prescribed for an employee by his physician when such drugs are used as prescribed. Being under the influence of alcohol or illegal drugs on County property is prohibited.

REPORTING

3.2-5 Employees of Montgomery County who are convicted of a violation of state or federal law against manufacturing, distributing, dispensing, possessing, purchasing, or using a controlled substance (including inhalants) or alcohol are required to report such conviction to their immediate supervisor and the Montgomery County Human Resources Director in writing within five days of conviction. Failure to do so may result in termination of employment.

PRE-EMPLOYMENT TESTING

3.2-6 After receiving a conditional offer of employment, applicants requiring a commercial driver's license (CDL) or whose job is a safety sensitive position (defined as a job or position where the employee holding the position has the responsibility for his/her own safety or other people's safety and for which it would be particularly dangerous if such an employee was using drugs or alcohol while on the job) must pass a drug screen (coordinated through the Human Resources Department) before they may begin working; the applicant will be required to pay half the cost of this screening. Those with a positive test result will not be hired.

RANDOM DRUG TESTING

3.2-7 The County may also require random drug testing of employees whose job duties require a CDL or whose job is a safety sensitive position (defined above).

ALCOHOL TESTING

3.2-8 Employees may also be subject to random alcohol testing as required by the Department of Transportation.

3.2 DRUG FREE WORKPLACE

OTHER TESTING

3.2-9 All employees are subject to reasonable suspicion and post-accident drug and alcohol testing.

CONSEQUENCES TO EMPLOYEE

3.2-10 Employees who engage in prohibited activities (as listed in 3.2-4) and/or test positive for alcohol or controlled substances are subject to immediate termination of employment or, if the supervisor believes it is in the County's best interests to continue the individual's employment, the following may occur:

A. An employee having a breath alcohol level of 0.02 to 0.039 shall be relieved from duty for three days without pay on the first occurrence.

B. An employee having a breath alcohol level of 0.04 or greater or a positive test result for controlled substances on the first test shall be relieved from duty for three days without pay and will be referred to a Substance Abuse Professional (SAP) for evaluation and a determination of what assistance, if any, he needs in resolving his problems associated with alcohol and/or controlled substances. If referred to a SAP, he will be subject to unannounced follow-up alcohol testing. The number and frequency of such follow-up testing shall be as directed by the Medical Review Officer (MRO) and consist of at least six tests in the first 12 months. All evaluation and follow-up testing shall be at the employee's expense. An employee's refusal to visit a SAP or follow his treatment plan will result in termination of employment.

3.2-11 An employee with a previous test showing alcohol or controlled substance use who is tested a second time and found to have a breath alcohol level of 0.02 or greater or a positive drug test, whether or not he was previously referred to a SAP, shall be subject to termination.

3.2-12 An employee who refuses a test shall be considered to have received a positive test result and is subject to termination.

APPLICABILITY

3.2-13 This policy applies to all employees of Montgomery County, regardless of rank or position, and includes temporary and part-time employees.

CONTRACTORS AND GRANTEES

3.2-14 All private or non-county agencies or organizations receiving state or federal grant funds under the official sponsorship of the County must comply with the requirements of the Drug Free Workplace Act of 1988. Recognizing the potential volume, monitoring for compliance will be done on an exceptions basis by either the Director of Risk Management, the Purchasing Agent or the Auditor, depending on the circumstances.

3.3 HARASSMENT

PURPOSE

3.3-1 Harassment is a form of misconduct which undermines the integrity of the employment relationship. Montgomery County employees have the right to work in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, intimidating, or disruptive.

3.3-2 Mental, verbal or physical harassment because of sex (including sexual harassment, harassment due to pregnancy, childbirth or related medical conditions, and gender harassment) and harassment because of race, religion, color, national origin, medical condition, physical or mental disability, age or any other basis protected by federal, state, or local law is illegal and against County policy. Tolerance of an individual's sexual orientation is also expected.

APPLICABILITY

3.3-3 This anti-harassment policy applies to all individuals involved in the operation of County government and prohibits unlawful harassment by any employee of Montgomery County, including elected officials, department heads, supervisors, and co-workers, or by any vendors and/or independent contractors and their employees.

MANAGEMENT'S RESPONSIBILITY

3.3-4 Elected officials, department heads, and others in management positions are responsible for taking action against acts of harassment by persons they supervise or otherwise control.

ZERO TOLERANCE

3.3-5 Any employee who engages in harassment of any kind is subject to discipline, up to and including discharge.

SEXUAL HARASSMENT

3.3-6 Sexual harassment includes unwelcome verbal or physical conduct of a sexual nature (1) when submission to the conduct is made either an implicit or explicit term or condition of employment, i.e., promotion, training, amount of pay, time-keeping; (2) when submission to or rejection of the conduct is used as a basis for making employment decisions; (3) when the conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment; or (4) that denigrates or shows hostility toward a person because of his or her gender when the conduct has the purpose or effect of substantially interfering with an individual's work performance, or creating an intimidating, hostile, or offensive work environment.

A. Quid Pro Quo Harassment: Unwelcome sexual advances by a supervisor or manager who has the authority to affect the working conditions of the employee.

3.3 HARASSMENT

B. Hostile Environment Harassment: Actions of managers, supervisors, co-workers, or third parties (customers, sales representatives, subcontractors, etc.) which includes but is not limited to:

1. Unwelcome sexual flirtations, propositions, touches, advances, sexually explicit letters, notes, e-mails, or gifts;
2. Unwelcome whistling, staring, or leers;
3. Conduct or remarks that are sexually suggestive or that demean or show hostility to a person because of the person's gender, including jokes;
4. Graphic verbal comments about an individual's body;
5. Sexually degrading words used to describe an individual;
6. The display in the workplace of sexually suggestive objects or pictures.

RELIGION

3.3-7 Employees are entitled to their own religious beliefs or non-belief. While it is not the County's intent to deny any employee's right to freedom of speech, any discussions during working hours regarding religion should be minimal and not meant to harass any individual or to try to convince others of the superiority or inferiority of one religion over another or the necessity of believing in a higher power.

3.3-8 Reasonable efforts will be made to accommodate religious practices and beliefs; requests and concerns should be directed to the Human Resources Director. Religious symbols in an employee's workspace should be limited (as should any other non-work related items) so that the work environment is professional in appearance and safety is not compromised.

REPORTING

3.3-9 An employee who believes he/she has been harassed for any of the reasons listed in this policy should follow the steps outlined in Section 2.10 of this manual (Complaint Procedure). If the supervisor is the subject of the complaint, the employee should notify a higher level supervisor or the Human Resources Director. Complaints that are not resolved to the employee's satisfaction should also be brought to the attention of the Human Resources Director. Complainants and witnesses acting in good faith, even if the complaint is not founded, will be protected from retaliation.

INVESTIGATION

3.3-10 Montgomery County will fully and completely investigate any report of alleged harassment and will take appropriate corrective action depending on the severity of the conduct. The complaining employee will be informed of the action taken. An employee who engages in acts of harassment contrary to this policy may be personally liable in any legal action brought against them.

3.3 HARASSMENT

3.3-11 Employees should also be aware that as an employer, Montgomery County has a duty to prevent and correct harassment even when the complaining employee asks that no action be taken and that the complaint be kept confidential.

CONFIDENTIALITY

3.3-12 Interviews, allegations, statements, and identities will be kept confidential to the extent possible and allowed by law. However, Montgomery County will not allow the goal of confidentiality to be a deterrent to an effective investigation, and it may be necessary to reveal certain information to various state or federal agencies or courts.

VIOLENCE IN THE WORKPLACE

3.3-13 It is the intent of this policy to ensure that Montgomery County provides a workplace that is free from intimidation, threats, or violent acts. Montgomery County will not tolerate workplace violence or the threat of violence by any employees, customers, the general public, or anyone who conducts business with the County while on County premises, County-owned property, or County work sites. Montgomery County takes all reported incidents of workplace violence or threatened workplace violence seriously and will investigate any claim of workplace violence or threatened workplace violence in a timely fashion. The County will take any action deemed necessary to provide for the safety of its employees.

3.3-14 Workplace violence includes, but is not limited to, harassment, statements of intent to harm, physical attack, or property damage. Other examples of violence may include:

a. Teasing and practical jokes that cause anger or humiliation;
b. Intimidation or bullying;
c. Angry outbursts;
d. Verbal abuse, name-calling, or obscene language;
e. Threats (verbal, written, or motioned);
f. Harassment (general, racial, or sexual);
g. Theft, vandalism, or sabotage;
h. Throwing or breaking objects;
i. Romantic obsessions and stalking;
j. Sexual assault or rape; or
k. Unauthorized possession and use of weapons.

All County personnel are on notice that acts or threats of workplace violence shall not be excused from investigation on the grounds that the actor was “joking,” “blowing off steam,” etc.

3.3 HARASSMENT

3.3-15 It is the responsibility of every employee to be alert to the possibility of violence in the workplace. Workplace safety is a major concern for all employees; therefore, employees must refrain from acts of violence and seek assistance to resolve personal issues which may lead to acts of violence in the workplace. All employees are encouraged to openly communicate with each other, and to be aware of any unusual activity that may be an indicator of potential violence. Threats or acts of violence that require immediate or emergency action should be reported to 911.

3.3-16 Any incident of violent behavior, whether committed by a County employee or an external individual such as a customer, vendor, or citizen, must be reported to departmental management. Employees have a duty to warn management of any suspicious workplace activity or situation or incidents that they observe or that they are aware of, that involve other employees, former employees, or the public. If the individual to be reported is an elected official, the report should be made to the County Judge, Sheriff, and/or Human Resources.

3.3-17 Any employee who violates this workplace violence policy will be subject to disciplinary action up to and including termination and/or legal action, as appropriate.

MONTGOMERY COUNTY, TEXAS
EMPLOYEE POLICY MANUAL
3. EMPLOYEE RESPONSIBILITIES

3.4 TECHNOLOGY POLICY

COMPUTER/PC USE AND SCOPE

3.4-1 This policy applies to all internet access, electronic communications, software and computer equipment attached to or used on the Montgomery County network system (including equipment owned by outside agencies and individuals) and applies to all Montgomery County owned software and hardware regardless of location or connectivity; it applies to all individuals using the Montgomery County network system whether or not they are employees of Montgomery County. The intent of this policy is to permit maximum freedom of use consistent with federal and state law, Montgomery County policy, and a productive working environment.

3.4-2 Use of Montgomery County computers and communication devices must comply with Texas law and Montgomery County policies. Therefore, Montgomery County computers and communication devices may not be used for commercial, profit-making or political purposes, or to disseminate unsolicited information regarding religious or political beliefs. With the rapidly changing nature of electronic media developing among users of external on-line services and the Internet, this policy cannot provide guidelines for every possible situation. Instead, it expresses the County's philosophy and sets forth general principles for the use of Internet service and e-mail by all County departments.

3.4-3 Employees are responsible for complying with this policy. In order to ensure that employees are aware of the provisions of this policy, they will be required to acknowledge acceptance of same before being allowed access to Montgomery County's electronic communications equipment other than telephonic. Elected officials and department heads are responsible for taking disciplinary action against employees in violation of this policy.

COMPUTER SECURITY

3.4-4 Each department and each user must maintain a high level of physical security for each machine entrusted to the care of that department and that individual to prevent unauthorized access to the Montgomery County network. When an employee has logged onto the network, the level of access to the network available to that employee is available to anyone using that computer. Thus, anyone sitting at the computer (visitors, reporters, contractors, janitors, jail inmates or trustees) will be able to view, change, and enter the same data that the employee logged onto the system is allowed to view, change or enter. Not only does this compromise the integrity of the data on the Montgomery County network, in some cases it is illegal to disclose the information on the network without a court order or permission from a specific person. Therefore, all employees should take the following steps:

3.4-5 At the end of the day or shift, logout and turn off power to your equipment. If the equipment is being used for remote access, you must logout, turn off power to the equipment, and then turn power back on to the equipment (but not log in), before leaving for the day.

3.4 TECHNOLOGY POLICY

3.4-6 Allowing others to use your password is a serious breach of security. Do not divulge your password to anyone. If *any* person requests your password for any reason whatsoever, please report this immediately to your elected official or department head. He/she should report this to Montgomery County Communication Information Services (CIS). CIS should never have the need to know your password; should the occasion ever arise, secured procedures will be established by the CIS Director. Do not select a password that anyone who knows you could easily discern. Select one with a combination of letters and numbers that you can remember.

3.4-7 The sharing of computer data by using Windows file-sharing techniques is prohibited. Other more secure techniques, such as e-mail attachments, can be used to accomplish the same task.

3.4-8 Non-employees are expressly forbidden from using any terminal (except the public access terminals) without proper authorization. Should an elected official or department head have a need for a non-employee to access data other than through the public access terminals, he/she may request authorization through CIS.

3.4-9 If you must write down a password or user-ID, always maintain physical control over the document (keep it in wallet or purse). Do not:

A. Identify the password as being a password.
B. Record it in a document or file.
C. Include the login name on the same piece of paper.
D. Attach the password to a pc/terminal, keyboard, or desk.
E. Write it down exactly as it is entered.
F. Give the password to anyone over the telephone (including tech support).
G. Send the password to anyone by e-mail.

3.4-10 If you have remote access to your computer from home or an outside agency has access, the dial in communication software must never be configured in such a way as to make the connection providing the password in the process. The attachment process ***must require the manual entry*** of the password. We have no way to control the individuals who may have physical access to a users' computer, whether at home or in a service center or otherwise.

3.4-11 Computers attached to the Montgomery County network authorized to be controlled remotely from home or another location must be configured to be waiting for a connection, but not logged into the network. In this way all security that is in place at work is also in place remotely, in addition to the dial-in security. Any computer attached to the Montgomery County network used for remote access must be configured to dial-back the remote computer.

3.4 TECHNOLOGY POLICY

PROHIBITIONS

3.4-12 Do not:

A. Attempt to read or "hack" into other systems or other persons' log-ins, or "crack" passwords, or breach computer or network security measures.
B. Seek others' passwords or exchange passwords.
C. Develop programs designed to harass other users or infiltrate a computer or computer network or to damage or alter hardware or software.
D. Use your computer or network services in a manner that is likely to cause network congestion or significantly hamper the ability of others to access and use the services or equipment.
E. Intentionally seek access to or copy information, files, or data which is confidential under federal, state, or local law unless specifically authorized to do so once the legal conditions for release are satisfied.
F. Attach private equipment and/or use private services for the express purpose of circumventing this policy.
G. Participate in the development, propagation or forwarding of computer viruses.
H. Allow or provide access for unauthorized personnel to use the County's network system including internet service and e-mail.

APPLICABLE LAWS

3.4-13 Federal Copyright Law: Many intellectual works are copyrighted. The owner of a copyright holds the exclusive right to reproduce and distribute the work. Most computer programs and manuals are copyrighted, and care must be taken to comply with copyright laws.

3.4-14 State and Federal Trade Secret Laws: Many intellectual works are protected under trade secret laws. Owners consider some programs and many manuals trade secrets, and there are civil and criminal penalties associated with disclosing this information to anyone not authorized to use the material. Unless authorized in writing by the owner of the trade secret, you should not disclose any material that contains trade secret declarations to anyone outside County government.

3.4-15 Software License Agreements: Most computer software is licensed to a specific user or a group of specific users, and the license agreement is very specific as to the rights that the user has to operate the program and make additional copies of the program. There are civil and criminal penalties associated with breaking a license agreement.

COMPUTER SOFTWARE

3.4-16 Montgomery County provides computers to its employees with software pre-installed. The County encourages employees to use this technology to enhance their efficiency and effectiveness in providing services to the citizens of Montgomery County. Since the County uses a fully integrated network system, any change to a single computer can affect the rest of the Montgomery County network; because of this and due to our limited resources, the following procedures are mandatory.

3.4 TECHNOLOGY POLICY

A. Unless provided by a state or federal agency, Montgomery County must own a software license for all software used on County-owned equipment unless prior authorization has been obtained from CIS.
B. Outside agencies with equipment attached to the Montgomery County network must provide proof of licensing for any software used with that equipment. Excepted is state or federally required software where the particular state or federal agency holds the license.
C. All software on any computer attached to the Montgomery County network or any other computer owned by Montgomery County must be installed/uninstalled, configured and/or updated by CIS or individual departmental representatives approved by CIS. This includes games, desktop themes, screen savers, etc., utilities not originally installed.
D. All Montgomery County computer software shall be approved by CIS and ordered by the Purchasing Department. Outside agencies must have CIS approval for software that is to be used on equipment attached to the Montgomery County network before it is obtained. Excepted is state or federally provided hardware and software.
E. Purchase of software specific to a department, specialty software, or software to meet personal preferences must be funded by the department but approved by CIS and ordered by the Purchasing Department. Excepted is state or federally provided software. Training for such specialty software shall be the responsibility of each department.
F. Departments will fund purchases of additional computer software licenses due to departmental growth. Net Term and Unidata software licenses will be provided by CIS.

INTERNET SERVICE/ E-MAIL

3.4-17 Internet service and e-mail are provided to selected Montgomery County employees (based on need), contractors, vendors and other persons or firms designated by authorized County officials for conducting Montgomery County business. Every elected official, department head, and employee has the responsibility of maintaining and enhancing the County's public image and to use County e-mail and the Internet in a productive manner.

3.4-18 Montgomery County realizes that e-mail can be an efficient means of communication, similar to the telephone. Therefore, the County will allow for the use of e-mail for personal communications. However, this practice should be limited and should not interfere with your work responsibilities. To ensure that all employees are responsible, the following e-mail and Internet policy are established. Any improper use of the Internet or e-mail is not acceptable and will not be permitted.

3.4 TECHNOLOGY POLICY

3.4-19 Employees on the County's Internet service and e-mail may not transmit copyrighted materials. All users obtaining access to other companies' or individuals' materials must respect all copyrights and may not copy, retrieve, modify or forward copyrighted materials, except with permission, or as a single copy for reference purposes only.

3.4-20 Users of the County Internet service and e-mail should conduct themselves in a professional manner. Access to the County Internet service and e-mail is a privilege, not a right, which may be revoked for inappropriate conduct. It is the responsibility of every user to report any known misuse of the Internet or e-mail to his immediate supervisor.

EMAIL OPERATIONS & BACKUP

3.4-20a Read, unread, and sent mailbox messages will be retained automatically by the e-mail system for not more than 30 days. Deleted items will be deleted automatically one (1) day after deletion from the mailbox. Manually deleted "Deleted Items" are not retained in any way. Routine backups are made of the e-mail system and are maintained for seven (7) days. However, backups of the e-mail system are created and maintained for the recovery of the system only. Backups are not intended as permanent record retention storage.

OWNERSHIP

3.4-21 All messages or files created, sent, retrieved or downloaded over the County's e-mail/Internet system are the property of the County. With the exception of information made confidential by State statute, the County reserves the right to access and monitor all messages and files on the County's e-mail/Internet system. Do not assume electronic communications are private and do not transmit highly confidential data using this medium without appropriate protection. All electronic and telephonic communications systems and all information transmitted by, received from, or stored in these systems are the property of Montgomery County. County employees and other users of the County's electronic and telephonic communications systems have no expectation of privacy or any personal privacy right in connection with the use of these systems, or with the transmission, receipt, or storage of information in these systems.

MONITORING

3.4-22 Elected officials and department heads have the authority to request CIS to inspect the contents of any equipment, files, calendars, or electronic mail of their subordinates in the normal course of their managerial responsibilities. Reasons for review include, but are not limited to, system hardware or software problems, general system failure, regular system maintenance, a lawsuit against Montgomery County, suspicion of a crime or violation of policy, review of employee work, a need to perform work, or to provide a service.

3.4 TECHNOLOGY POLICY

RETENTION OF ELECTRONIC RECORDS

3.4-22a All e-mail documents and accounts are subject to Public Records Law unless otherwise exempt. Users shall comply with public retention laws and rules.

RELEASE OF ELECTRONIC RECORDS

3.4-23 Release of electronic records pursuant to a request for public information is governed by Chapter 552, Texas Government Code. A request for public information must be in writing. Should you have a question about a particular request received in your department, contact the County Attorney's Office as soon as possible.

3.4-24 All communications sent electronically by employees via Montgomery County's Internet service and e-mail must comply with this and other County policies and may not disclose any confidential or proprietary County information.

ACCEPTABLE USES OF INTERNET AND E-MAIL

3.4-25 The following is a non-exhaustive list of acceptable uses of the internet and e-mail:

A. Communication and information exchange directly related to the duties or responsibilities of the user's department.
B. Communication for professional development, to obtain continuing education or training, or to discuss issues related to the user's public duties or responsibilities.
C. Announcement of new departmental regulations, procedures, policies, rules, services, programs, or activities.
D. At the elected official/department head's discretion, employees are permitted to use the Internet service and e-mail for incidental personal matters.

3.4-26 The following is a non-exhaustive list of unacceptable uses of the internet and e-mail:

A. Software Downloads:
1. No software or internet utilities may be downloaded or installed on systems described above without the express approval of CIS. Such software and utilities can and have changed fundamental system configurations rendering the equipment inoperable for other County users.
2. Unless specifically authorized by the elected official/department head and CIS, downloading or streaming of MP# and other music files, video files, TV or radio programs, browser enhancements such as plug-ins that must be downloaded to view a document, is prohibited.

3.4 TECHNOLOGY POLICY

B. County internet service and e-mail must not be used for knowingly transmitting, retrieving, or storing any communications that contain:
1. Discriminatory or harassing language.
2. Obscene, pornographic or x-rated material.
3. Defamatory, abusive, threatening, profane or offensive language.
4. "Chain" letters and other non-business-oriented mass e-mails.
5. Derogatory or inflammatory remarks about an individual's race, age, disability, religion, national origin, physical attributes, or sexual preference.
6. Racial and/or sexual slurs or jokes.
7. Any material which is illegal or against County policy.

C. Identity Masking: No e-mail or other electronic communication may be sent which:
1. Attempts to hide the identity of the sender or represents the sender as someone else.
2. Adopts the identity of another person.
3. Uses another person's password.
4. Misrepresents the user's affiliation with Montgomery County.

D. Business Use: Except as specifically authorized above, all use of Montgomery County's Internet service and e-mail must be for the benefit of Montgomery County and must not be used:
1. For any personal profit.
2. For purposes not directly or indirectly related to the job duties or responsibilities of the user before, after, or during normal business hours.
3. For any non-County commercial or promotional purpose, including personal messages offering to buy or sell goods or services.
4. To sell or distribute Montgomery county information, software, or services for personal gain or profit.
5. In such a way that causes Montgomery County to be charged a fee by another person or entity.

E. Restricted Information: Montgomery County's Internet service and e-mail must not be used:
1. To copy, retrieve, or forward copyrighted material (such as software, databases, documents, articles, graphics, and downloaded data) unless the individual has the right to copy or distribute such material.
2. To communicate any material regarding confidential information from a person's personnel file, medical record, or information regarding a person's health condition, financial status, or a person's home address, telephone number, or social security number, unless expressly authorized to do so utilizing appropriate protection.

F. Internet Access Through "Dial-up" Instead of Network Access: Use of personal Internet service providers (such as AOL) using telephone dial-up or other telephone access to the Internet is prohibited. Written requests for a waiver must be submitted to CIS.

WEB SITE

3.4-27 The Montgomery County web site and associated home pages have been established at the direction of Montgomery County Commissioners Court to improve the quality, productivity, and general cost effectiveness of the County's workforce, as well as greatly enhance communications between the public and Montgomery County. The quality of the layout, timeliness of information contained in the site, categories of information on the home pages, and subsequent web pages will be at the elected official/department head's discretion. The Montgomery County home page will link County departments and other web pages and sites to provide readily available information to all users. All proposed home pages and associated web pages will be professional in appearance and will contain current and accurate information, while emphasizing information that is important to the citizens of Montgomery County.

3.4-28 The elected official/department head and CIS are the approving authorities for all official Montgomery County web pages including design, layout, and content.

3.4-29 Access to official County data (databases, images, documents, etc.) must be through the responsible Montgomery County elected official or department head who maintains the data and CIS.

VIOLATION OF POLICY

3.4-30 Violation of this policy can lead to internal disciplinary action, up to and including termination of employment. In addition, criminal or civil administrative penalties may be imposed. Security violations will be reported to your elected official or department head and may result in your password and access to the network being revoked.

3.4-31 In the event that Montgomery County incurs a cost due to employee negligence or misuse, the employee will be responsible for reimbursement of that cost.

3.4-32 There are a number of state and federal laws regarding computer crimes. Certain violations may result in a person being charged with a criminal offense, ranging from a Class A misdemeanor to a first-degree felony.

3.5 POLITICAL ACTIVITIES

PURPOSE

3.5-1 Montgomery County government is made up of numerous departments, 41 of which are headed by elected officials. Therefore, county government is political by its very nature. Even so, there are certain activities that are illegal and others which are inappropriate.

PROHIBITIONS

3.5-2 Employees are not required to contribute to any fund or collection process. Likewise, employees are not required to campaign or participate in any related political activity as a condition of obtaining or retaining their jobs, nor shall they be disciplined, terminated, or deprived of any rights for refusing to participate in political service, contributions, etc.

3.5-3 It is illegal for employees to perform or be involved in political services, campaigning, or related activities during their normal working hours. Employees may not use County equipment, vehicles, uniforms, or other property in any way for political activity or involvement in political service, nor may they use their official authority or influence for the purpose of interfering with or affecting the results of an election or nomination to a public office. No official or employee shall ever attempt to dictate the political beliefs or affiliations of their employees or discourage the exercising of their right to vote.

ACCEPTABLE BEHAVIOR

3.5-4 Employees are welcome to make or receive private political endorsements during non-working hours; elected officials are also able to make political endorsements using their official titles.

MONTGOMERY COUNTY, TEXAS
EMPLOYEE POLICY MANUAL
3. EMPLOYEE RESPONSIBILITIES

3.6 EMPLOYEE PARKING

PURPOSE

3.6-1 It is important that we maintain a good relationship with area merchants and other businesses or governmental entities in close proximity to County buildings, and that we are mindful of the needs of the public to utilize public parking spaces accessible to County buildings and to our neighbor facilities. When County employees disregard available County employee parking facilities and park in public parking spaces, they unfairly limit public accessibility. Additionally, since parking spaces in some locations have time restrictions, employees must leave their offices in order to move their vehicles and thereby avoid parking tickets or fines; these employees are wasting taxpayer dollars with unauthorized time away from their duties.

3.6-2 County employees shall park in areas designated by the County for employee parking. Failure to comply with designated parking arrangements for County employee vehicles shall be a factor to be considered in job performance evaluations. An employee who violates this provision may be subject to disciplinary action as deemed appropriate by the Department head.

EXCEPTIONS

3.6-3 Special exceptions to designated employee parking may be approved by the Department head for specific times in which employees require close access to their office, such as for loading or unloading. Any employee with a mobility impairment needing special parking accommodations that are not adequately met with designated employee parking areas should notify the Human Resources Director.

3.7 PERSONAL PHONE CALLS/FAXES

PURPOSE 3.7-1 It is understood that employees have lives outside of Montgomery County government and that those lives sometimes require communication with family members, friends, and business associates during normal working hours.

LOCAL CALLS 3.7-2 In most cases an employee will be allowed to receive a minimal number of personal phone calls of short duration; what is "reasonable" is at the discretion of the elected official or department head. As a general guideline, however, personal phone calls which take the employee away from his or her work numerous times a day and/or which cause other employees to fill in for that person or cause the public to be inconvenienced and/or to wait longer than necessary for service are deemed as "unreasonable."

LONG DISTANCE CALLS 3.7-3 Reasonable personal long distance telephone calls will be allowed; it is at the elected official or department head's discretion to determine whether the employee will reimburse the County for those calls.

CELLULAR PHONES 3.7-4 Reasonable personal phone calls, local and in-state long distance, will be allowed from cellular phones. Elected officials and department heads will determine for which calls the County must be reimbursed by an employee. Incurred charges for personal out-of-state calls must be reimbursed.

FAXES 3.7-5 Employees may send and receive a limited number of faxes, at the discretion of the elected official or department head.

PROHIBITION 3.7-6 In no event may an employee send or receive telephone calls or faxes for commercial reasons, i.e. to run an outside business or to supplement his/her income from other pursuits.

3.8 PERSONAL PROPERTY

RESPONSIBILITY

3.8-1 Montgomery County assumes no responsibility or liability for the security of an employee's personal property even when brought to his work place or used by him or others in any way, including in the performance of his job.

EXCEPTION

3.8-2 Employees may be compensated by the County for loss of the following categories of personal property brought to the work place when it is required for the proper performance of job duties as determined by the elected official/department head:

A. Personal hand tools brought by:

1. Commissioners' precinct mechanics.

2. Maintenance Department personnel.

3. Sheriff's Department auto mechanics.

B. Personal equipment (firearms, restraint devices, and personal protective equipment) brought by commissioned peace officers.

PROCEDURE

3.8-3 The employee suffering the loss must make a written request to be reimbursed to his elected official/department head including documentation establishing the stolen property's value. It will be the elected official/department head's decision whether or not to request approval for reimbursement from Commissioners Court.

CASE BY CASE REVIEW

3.8-4 Reimbursement for loss of personal property listed in 3.8-2 shall be determined on a case by case basis, depending upon the facts surrounding each loss. This policy does not create an automatic right of reimbursement simply because a loss has occurred.

3.9 APPEARANCE

PURPOSE

3.9-1 As employees of Montgomery County, we must keep in mind that often when members of the general public see us performing our jobs or otherwise representing County government, the first thing that comes into their minds is that their tax dollars are paying our salaries. Appearance is often viewed as a direct reflection of the level of professionalism of the workplace. For this reason, unless otherwise told to disregard this policy by your elected official or department head or his/her designee, you are expected to follow these basic minimum guidelines in regard to dress and personal appearance; management may impose additional or other appropriate standards.

DRESS

3.9-2 Employees in positions that require contact with the general public should dress in a manner that is in keeping with the accepted standards of professional office attire. Suits, sport coats, ties, and slacks are preferred dress for men. Slacks, dress shirts, and ties are also acceptable. Suits, dresses, skirts and blouses, and pantsuits are preferred dress for women. Dress slacks are also acceptable.

3.9-3 Employees in positions that do not require direct contact with the public should still dress suitably for a professional office environment. Even though an employee's job may not involve direct contact with the public on a regular basis, being housed in a building where members of the public visit constitutes direct contact. Sweatshirts, T-shirts (with words or pictures relating to drugs, alcohol, or inappropriate wording), jeans, leggings, cutoffs, revealing clothing, hot pants, halter tops, visible body piercing (i.e., nose, eyebrow and tongue rings) and tattoos are not appropriate.

3.9-4 Clothing should be clean, in good repair, and fit appropriately.

3.9-5 Footwear should also be appropriate for a professional office environment. Acceptable wear includes oxfords, loafers, pumps, boots, and flats. Sport shoes, tennis shoes, flip-flops or other casual footwear is not appropriate. Open sandal-type footwear requires the wearing of socks or hosiery.

UNIFORMED EMPLOYEES

3.9-6 Employees whose jobs require that they wear a uniform are expected to keep their uniforms in good repair and laundered.

HAIR

3.9-7 Employees should keep their hair clean and neatly trimmed. Hair that is styled, cut and/or colored in a manner that calls undue attention to you will be considered inappropriate. Employees who choose to wear beards and/or mustaches must keep them well groomed and neat trimmed. For those working around office or other mechanical equipment, hair should not be worn in such a style as to create a safety hazard (i.e., it should not block vision or have the potential of getting caught in equipment).

3.9 APPEARANCE

3.9-8 If an employee requires a reasonable accommodation regarding their dress for bona fide religious reasons, they should contact their supervisor or the Human Resources Director.

FAILURE TO COMPLY

3.9-9 Employees who refuse to comply with these policies, if endorsed by their elected official or department head, can be sent home to change into more appropriate attire. Repeated violation of this policy can lead to disciplinary action, up to and including discharge.

3.10 SMOKING POLICY

PURPOSE

3.10-1 In order to preserve a healthy environment for all County employees and the public, Montgomery County is a SMOKE and TOBACCO FREE workplace.

PROHIBITED ACTIVITIES

3.10-2 As a Montgomery County employee you are prohibited from doing the following:

A. Smoking or other use of tobacco products (including, but not limited to, cigarettes, pipes, cigars, e-cigarettes, vape pipes, hookah pens, snuff or chewing tobacco) in any area of a County building or vehicle owned, leased or rented by Montgomery County;

B. Smoke or otherwise use tobacco or similar products outside of the designated smoking area, or leave cigarette butts or other traces of litter or tobacco use on the ground or anywhere else other than a provided receptacle.

EMPLOYEE'S RESPONSIBILITES

3.10-3 County Officials and employees shall:

A. Abide by this policy in all respects while at work;

B. Use tobacco in designated areas outside no closer than 20 feet from an access door during scheduled breaks. Each department is responsible for designating a tobacco use area for their employees and facility.

4.0 MEDICAL AND LIFE INSURANCE

ELIGIBILITY

4.0-1 All full-time employees of Montgomery County who have completed their 58-day waiting period are eligible for coverage under any group medical and basic life programs provided through the County. Coverage will begin on the first of the month following 58 days of employment. If originally hired as a part-time employee, the effective date will be based on the date of full-time employment. For optional benefits, see Section 4.4.

EMPLOYEE COVERAGE

4.0-2 Subject to amendment or discontinuance at any time, the County shall partially or fully fund the cost for medical coverage of eligible employees based upon the deductible plan option chosen by the employee.

4.0-3 Subject to amendment or discontinuance at any time, the County shall pay the premium for the basic term life and Accidental Death and Dismemberment (AD&D) coverage of eligible employees, the amount of which may change.

4.0-4 Optional coverages (e.g. supplemental life, dental, vision, etc.) may also be offered at the employee's expense, subject to the terms of the policies in force.

DEPENDENT COVERAGE

4.0-5 Subject to the limitations of policies in force, an employee eligible for optional coverages offered by the County may cover eligible family members by paying the full cost of their coverage.

PAYMENT

4.0-6 Any and all monthly charges for family members and optional coverages for the employee will be deducted from the employee's pay check.

BENEFIT FORMS

4.0-7 All paperwork pertaining to enrollment, changes, and cancellation of coverage for benefits offered through the County will be submitted to the Risk Management Department for processing.

4.1 RETIREMENT

PARTICIPATION

4.1-1 Montgomery County is a member of the Texas County and District Retirement System (TCDRS). Enrollment is mandatory for all regular employees who work at least 900 hours per year and, effective January 1, 2006, begins on their date of employment.

CONTRIBUTIONS

4.1-2 Options regarding the amount of employee and employer contributions and other provisions of the Plan are determined by the Texas State Legislature and adopted by Commissioners Court.

BENEFITS

4.1-3 Covered employees are encouraged to read the "Member Information Guide" updated periodically by TCDRS and distributed by the Human Resources Department for complete details regarding benefits and provisions of the plan. Information is also available at the System's website, www.tcdrs.org.

CONTINUATION OF HEALTH BENEFITS

4.1-4 Employees eligible to retire under the provisions of TCDRS as adopted by Commissioners Court who are covered by our health plan may continue their health benefits in compliance with Chapter 175 of the Texas Local Government Code.

4.1-5 Dependent eligibility is predicated on the retired employee. If the retired employee does not choose retiree coverage for himself/herself, covered dependents will not be allowed to continue coverage under this provision.

4.1-6 The retiree must notify the County in writing on or before the date of retirement that he wishes to enroll in retiree medical coverage. Any request to enroll after the date of retirement will be denied.

4.1-7 Rates will be adjusted as needed by Montgomery County Commissioners Court.

4.1-8 Payments are due monthly, payable on the first of the month. Any payments not received by the 10th of the month in which due will result in termination of benefits; no reinstatement will be allowed.

RETURN TO SERVICE

4.1-9 Employees who retire from Montgomery County and start receiving benefits from TCDRS may be rehired and continue receiving their annuity as long as a) the original termination was "bona fide" under the IRS guidelines, and b) there was a separation from employment of at least one calendar month. In order to be a bona fide termination, there can be no prior agreement between the County and the retiree that he/she will be rehired after retiring, and the retiree may not be given preferential status when applying for a vacant position.

4.2 SOCIAL SECURITY

PARTICIPATION 4.2-1 All County employees participate in Social Security which provides certain retirement and disability income benefits, including Medicare. Participation in this federal program is required by law.

DEDUCTIONS 4.2-2 Deductions are made from each pay check in accordance with federal guidelines; this deduction is noted as "FICA" on employees' pay stubs.

COUNTY CONTRIBUTION 4.2-3 Montgomery County funds an amount equal to the employee's deduction to the Social Security Administration for the employee's benefit.

ADDITIONAL INFORMATION 4.2-4 Employees are encouraged to go to www.ssa.gov for further information about their Social Security benefits.

4.3 WORKERS' COMPENSATION

APPLICABILITY

4.3-1 All employees of Montgomery County are covered by the County's workers' compensation program while on duty for the County unless they have elected to retain their common law right of action.

BENEFITS

4.3-2An employee who suffers a job-related illness or injury is eligible to have all medical expenses paid for such injury or illness and, if unable to work for more than seven calendar days, shall be eligible to receive partial salary continuation benefits which begin with the eighth day of disability; by law, certified peace officers receive full salary continuation.

RESPONSIBILITY FOR REPORTING

4.3-3 An employee who suffers an on-the-job illness or injury shall notify his supervisor as soon as is reasonably possible; he will fill out the appropriate reporting forms and forward them within 12 hours of notification by the employee to the Risk Management Department. Failure to report job-related illnesses or injuries in a timely manner may affect an employee's eligibility to receive workers' compensation benefits or may delay benefit payments. The supervisor is required to notify Risk Management and Human Resources when the injured worker returns to work.

FMLA

4.3-4 Time off work due to a job-related illness or injury will run concurrent with time to which the employee is otherwise entitled under the Family and Medical Leave Act.

MAXIMUM LENGTH OF LEAVE

4.3-5 No employee is guaranteed that his job will be held open for any period of time unless he is entitled to and files for leave under the Family and Medical Leave Act, in which case he will be entitled to up to 12 weeks (480 work hours) of leave, after which time the employee will be terminated if he is still unable to perform the essential functions of the position or any other available position, with or without reasonable accommodation. The employee must provide the paperwork required under Sections 4.7-8 and 4.7-9 of our Family Leave policy. Based on the circumstances and the needs of the department, up to 14 weeks of additional leave may be granted at the discretion of the elected official or department head, however the only guaranteed leave under this policy is the up to 12 weeks mentioned above if the need is properly supported by medical documentation which satisfies the County's workers' compensation administrator.

ACCRUAL OF BENEFITS

4.3-6 Employees do not accrue vacation or sick leave while on workers' compensation salary benefits unless they are certified peace officers and are on full salary continuation as required by law. They also are not paid by Montgomery County for any holidays falling during their period of absence.

4.3 WORKERS' COMPENSATION

PROHIBITION 4.3-7 An employee may not perform any outside work or engage in any extra duty employment on the same calendar day(s) that he fails to report to work due to illness or injury.

PHYSICIAN'S RELEASE 4.3-8 An employee who has been receiving workers' compensation salary benefits shall be required to provide a completed Workers' Compensation Status Report (TWCC-73) from the attending physician before being allowed to return to work. The release shall include whether or not the employee can return to full-time status with or without restrictions.

4.4 OPTIONAL BENEFITS

PURPOSE

4.4-1 Montgomery County strives to offer a competitive salary and benefits package which will attract and retain qualified and dedicated individuals to fill the jobs necessary to serve the public. The County has negotiated contracts with various benefit providers to offer the following at group rates:

A. Dental, vision, and optional life

B. An I.R.S. Section 457 deferred compensation plan

C. An I.R.S. Section 125 Cafeteria Plan

COSTS

4.4-2 All charges and administrative costs are the employee's responsibility and will be deducted from his/her pay checks. Should an employee not receive a pay check, benefit rates will be billed with a 30 day grace period and must be received by the Risk Management Department.

DETAILS

4.4-3 Employees should contact the Risk Management Department for further information regarding optional benefits and for enrollment forms.

4.5 VACATION

ELIGIBILITY

4.5-1 All regular full-time employees of Montgomery County are eligible for paid vacation leave; part-time (less than 30 hours per week) and temporary employees are not eligible.

ACCRUAL

4.5-2 Eligible employees shall accrue vacation leave in accordance with the following schedule:

Months of Service	Pay Period Accrual Rate
0 – 59	3.08 hours (10 days/year)
60 – 119	4.62 hours (15days/year)
120 – 239	6.155 hours (20 days/year)
240+	7.695 hours (25 days/year)

Employees working 30 but less than 40 hours per week will accrue leave in direct proportion to the ratio of their regular hours of work per week to 40.

Example: 32 ÷ 40 per week = .8
.8 x 3.08 = 2.46 hours per pay period

4.5.3 Employees must be on a paid status for at least half a pay period (normally 40 hours) in order to accrue vacation leave for that pay period.

WAITING PERIOD

4.5-4 An employee is required to work for a minimum of three months in a position eligible to accrue vacation before he/she may be paid for vacation.

MINIMUM USAGE

4.5-5 The minimum amount of vacation that may be used at any one time is at the discretion of the department head.

REQUESTS AND APPROVAL

4.5-6 An employee shall submit his/her request for vacation to the person designated by the elected official or department head.

4.5-7 Supervisors should schedule the vacation of their employees after considering seniority, the operating needs of the department, and employee requests.

TRANSFERS

4.5-8 Vacation balances will be honored in cases of employees transferring from one department to another. In these cases every effort should be made by the new department to honor previously scheduled vacation unless doing so unduly disrupts the operations of the department.

4.5 VACATION

HOLIDAYS

4.5-9 Holidays falling during an employee's vacation should be charged to payroll code 023 (holiday) instead of the employee's vacation balance (payroll code 019).

ILLNESS

4.5-10 If an employee becomes ill while taking vacation leave, the period of illness may be charged against the employee's sick leave balance and not vacation, if:

A. The employee promptly notifies his/her supervisor of the illness;

B. The employee provides the supervisor with acceptable proof of the illness; and

C. The supervisor gives permission to change the period of illness to sick leave.

ADVANCES

4.5-11 Employees are not allowed to charge time to accrued vacation hours until they are earned.

BRIDGING TIME

4.5-12 A person who was previously employed by Montgomery County for one year or more in a full-time position (30 hours per week or more) who is rehired after a break in service not exceeding five years is eligible to have his/her time bridged relative to his vacation leave accrual rate.

4.5-13 Only periods of full-time service of one year or longer may be considered when bridging time.

PAPERWORK

4.5-14 After the employee has been back at work in a full-time position for one year, the department head should submit to the Human Resources Department a completed Payroll Change Request Form requesting that time be bridged.

EFFECTIVE DATE

4.5-15 The new rate of vacation leave accrual, if any, will not be effective until approved by Commissioners Court.

RECORD KEEPING

4.5-16 All hours taken as vacation must be stated on the employee's time sheet and entered into the payroll/personnel software. These will become the official record; any changes to an employee's vacation leave balance other than through normal accrual must be approved by the department head or his/her designee.

CARRY OVER

4.5-17 All employees need time away from the office and are encouraged to schedule vacation. In no case will employees be allowed to carry over more than 25 days (200 hours) of vacation to the next calendar year or receive pay in lieu of taking time off for vacation unless requested by the department head and approved by Commissioners Court.

4.5 VACATION

FAMILY LEAVE

4.5-18 Employees needing time off under the Family and Medical Leave Act may use accrued vacation for that purpose using payroll code 054.

VACATION PAY AT TERMINATION

4.5-19 Individuals employed less than three months will not receive pay for accrued vacation at the time of termination of employment

4.5-20 Individuals who are in positions accruing vacation who have been employed for three months or more shall be paid at their regular rate of pay for all unused vacation at the time of termination of employment.

STATUS CHANGE

4.5-21 Employees elected to office or changing from full time to part-time status will be paid for accrued vacation at the rate being earned on the day prior to the effective date of the change.

4.6 SICK LEAVE

PURPOSE

4.6-1 This policy applies to employees who miss work due to illness.

ADMINISTRATOR

4.6-2 The Human Resources Director is the administrator of Montgomery County's sick leave program.

ELIGIBILITY

4.6-3 Regular full-time employees accrue paid sick leave; part-time (less than 30 hours per week) and temporary employees do not.

ACCRUAL

4.6-4 Eligible employees accrue 3.08 hours of sick leave per pay period (10 days per year). Employees working in positions budgeted for at least 30 but less than 40 hours per week accrue leave in direct proportion to the ratio of their regular hours of work to 40.

Example: 32 / 40 per week = .8
.8 x 3.08 = 2.46 hours per pay period

4.6-5 Employees must be on a paid status for at least half a pay period (normally 40 hours) in order to accrue sick leave for that pay period.

WAITING PERIOD

4.6-6 An employee is required to work for a minimum of three months in a position eligible to accrue leave before he/she may be paid with sick leave.

4.6-7 Employees changing from part-time to full-time status will receive credit for time worked as part-time toward satisfying the 90-day waiting period, but they will not be awarded sick leave for that time.

MINIMUM USAGE

4.6-8 The minimum amount of sick leave that may be used at any one time is at the discretion of the department head.

CODE 021 LEAVE

4.6-9 With approval of the department head, payroll code 021, "sick leave," may be used for illnesses of three days or less and illnesses longer than three days if they do not qualify under the Family and Medical Leave Act (FMLA).

LONGER LEAVES

4.6-10 Once requested and approved, accrued sick leave may also be used for illnesses which fall under the Family and Medical Leave Act. Payroll code 050 should be used on time sheets after FMLA leave has been approved. (See Section 4.7, Family Leave.)

4.6 SICK LEAVE

TYPES OF USAGE

4.6-11 If approved by the department head, eligible employees may use sick leave for:

A. Personal illness or injury.

B. Doctors' appointments or treatment; an employee shall be required to secure prior approval from his supervisor for sick leave to be used for non-emergency doctors' appointments.

C. Medical quarantine resulting from exposure to a contagious disease.

D. Illness of a member of the employee's immediate household which requires the employee's personal care and attention; time off for care of other members of the employee's immediate family (parent, grandparent, child, stepchild, grandchild, step-grandchild, brother or sister) is at the discretion of the elected official or department head and may be limited.

NOTIFICATION OF NEED FOR LEAVE

4.6-12 An employee must notify his supervisor as early as possible on the first day of absence to request use of sick leave.

4.6-13 If more than one day of sick leave is needed, the employee must notify his supervisor of the expected length of absence on the first day of absence or notify his supervisor on a daily basis for each day he is unable to work.

DOCUMENTATION

4.6-14 An employee's supervisor may request documentation of illness or injury where it is deemed necessary for approval of a sick leave request, however, because of privacy provisions of the Health Insurance Portability & Accountability Act, the amount of medical information to which a departmental representative is entitled is limited.

BORROWING

4.6-15 Employees may not borrow accrued sick leave from other employees.

PAYMENT AT RETIREMENT

4.6-16 An employee having accrued sick leave on September 30, 1987 who has no break in service after that date is eligible to be paid for the hours to his credit as of (a) that date, (b) his/her date of retirement, or (c) his/her lowest sick leave balance after January 9, 2006, whichever is less, i.e., used hours may not be replenished. Upon retirement, hours paid under these circumstances are valued at the employee's January 9, 2006 pay rate. No employee will be paid for more than 480 hours of sick leave.

4.6-17 An employee meeting the conditions of 4.6-16, above, who becomes an elected official will be paid as above at his pay rate prior to taking over as an elected official.

4.6 SICK LEAVE

BRIDGING — 4.6-18 Previously accrued sick leave is not restored when an employee is rehired.

DOUBLE PAYMENT — 4.6-19 Unless otherwise required by law, employees may not receive workers' compensation payments and paid sick leave for the same hours. An employee eligible for workers' compensation payments may elect to use paid leave until such paid sick leave is exhausted.

TRANSFER — 4.6-20 Sick leave balances transfer with employees from one county department to another.

CARRYOVER — 4.6-21 A maximum of 480 hours of sick leave may be carried over to a new calendar year; any excess hours will be forfeited.

ATTENDANCE AWARD — 4.6-22 Individuals employed the full calendar year who do not use any hours of sick leave may receive an additional 12 hours of vacation accrual; individuals employed the full calendar year who use no more than 8 hours of sick leave may receive an additional 8 hours of vacation accrual.

ABUSE OF BENEFIT — 4.6-23 Any employee found abusing this policy, e.g., reporting that he is sick when he is not, is subject to discipline, up to and including discharge. An employee may not perform any outside work or engage in any extra duty employment on the same calendar day(s) that he is paid with accrued sick leave.

MAXIMUM LENGTH OF LEAVE — 4.6-24 No employee is guaranteed that his job will be held open for any period of time unless he is entitled to and files for leave under the Family and Medical Leave Act, in which case he will be entitled to up to 12 weeks (480 work hours) of leave, after which time the employee will be terminated if he is still unable to perform the essential functions of the position or any other available position, with or without reasonable accommodation. The employee must provide the paperwork required under Sections 4.7-8 and 4.7-9 of our Family Leave policy. Based on the circumstances and the needs of the department, up to 14 weeks of additional leave may be granted at the discretion of the elected official or department head, however the only guaranteed leave under this policy is the up to 12 weeks mentioned above if the need is properly supported by medical documentation. Employees who do not qualify for leave under the Family and Medical Leave Act are not guaranteed that their positions will be held open for any length of time beyond the number of accrued benefit hours to their credit. The need for leave must be documented on a completed "Certification of Health Care Provider" form and completed updates, signed by the treating physician, submitted to the Human Resources Director every 30 days.

4.7 FAMILY LEAVE

FAMILY AND MEDICAL LEAVE ACT

4.7-1 All eligible employees of Montgomery County are entitled to the protection offered by the Family and Medical Leave Act of 1993 (FMLA). All employees with a possible FMLA event must contact Human Resources. Included in the Act is the requirement that during any 12-month period (specified by Montgomery County as a "rolling" 12-month period measured backward from the date an employee uses any FMLA leave) employers provide eligible employees up to 12 weeks (480 work hours) of leave (paid or unpaid) for:

1. the birth, adoption or placement in foster care of a child;
2. to care for a son, daughter, spouse or parent with a serious health condition;
3. for the employee's own serious health condition;
4. for an exigency caused by a family member who belongs to the regular Armed Forces being called for deployment to a foreign country, or a member of the reserves or National Guard being called to active duty deployment to a foreign country; or
5. for Military caregiver leave to care for a spouse, child, parent or next of kin who is a service member and is injured or becomes seriously ill while on active duty or within five years of leaving the Armed Forces. This military caregiver leave may extend up to 26 weeks in a single 12-month period for an employee to care for a spouse, son, daughter, parent or next-of-kin covered service member with a serious illness or injury incurred in the line of duty on active duty." Next-of-kin" is defined as the closest blood relative of the injured or recovering service member.

As allowed by law, Montgomery County requires employees to use accrued leave balances before going to an unpaid status; time spent on paid and unpaid leave is combined and counts toward the 12-week entitlement.

4.7-2 In all cases, persons who have been employed by Montgomery County (on a full or part time basis), for a total of 12 months (need not be continuous service – Sec 825.110b) (employment periods prior to a break in service of seven years or more need not be counted in determining whether the employee has been employed by the employer for at least 12 months) and physically worked at least 1,250 hours (not including vacation, sick, compensatory, personal time, etc.) for the County during the 12 month period immediately preceding the commencement of the leave, are eligible for FMLA benefits if they meet one of the five conditions listed in 4.7-1. If the leave is related to a serious health condition, the necessity of the leave must be certified as qualifying by a health care provider. Leave provisions apply equally to male and female employees.

4.7 FAMILY LEAVE

4.7-3 Per Federal Regulation (29 CFR 825.301), it is the employer's responsibility to designate leave as FMLA qualifying and to give notice of this designation to the employee. In any circumstance where the employer does not have sufficient information about the reason for an employee's use of leave, the Human Resources Department should inquire further of the employee or his or her spokesperson to determine whether leave is potentially FMLA-qualifying.

4.7-4 Whether or not the benefits provided under this policy are extended to an employee not meeting the length of service requirements specified in 4.7-2 is at the discretion of the elected official or department head and will be based on the needs of the department. In no event will an employee be granted employee benefits to which he would not normally be entitled.

DEFINITION

4.7-5 Under the FMLA, a "serious health condition" is defined as an illness, injury, impairment, or physical or mental condition that involves:

A. Inpatient care (i.e. an overnight stay) in a hospital, hospice or residential medical care facility, including any period of incapacity (defined as an inability to work, attend school or perform other regular daily activities), or any subsequent treatment in connection with such inpatient care; or

B. Continuing treatment by a health care provider, which includes:
   1. A period of incapacity of more than three consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:
      a. Treatment two or more times by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (such as a physical therapist) on referral by a health care provider; or
      b. Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment.
   2. A period of incapacity due to pregnancy, or for prenatal care.
   3. A period of incapacity or treatment for a "chronic" serious health condition which requires periodic visits for treatment by a health care provider, continues over an extended period of time, and may cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy).

4. A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member need not be receiving active treatment by a health care provider (e.g., Alzheimer's disease, severe stroke, terminal cancer).

5. A period of absence to receive multiple treatments for an injury or condition which would result in incapacity of more than three days if not treated (e.g., chemotherapy or radiation for cancer, physical therapy for severe arthritis, or dialysis for kidney disease).

FMLA regulations provide that "treatments" for serious health conditions include examinations to determine if a serious health condition exists but not routine physical, dental, or eye examinations. A "regimen of continuing treatment" includes a course of prescription medication such as antibiotics but not taking over-the-counter medications, getting bed rest, drinking fluids, exercising or other activities that could be initiated without visiting a health care provider. Voluntary or cosmetic treatments that are not medically necessary are not "serious health conditions" unless inpatient care is required or complications arise.

4.7-6 Under FMLA a "son or daughter" is defined as a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis who is either under 18 years of age or older and "incapable of self-care because of a mental or physical disability" at the time FMLA leave is to commence. FMLA regulations provide separate definitions of "son and daughter" for Military Family Leave provisions that are not restricted by age.

4.7-7 Under the FMLA a "spouse" is defined as a husband or wife. For purposes of this definition, husband or wife refers to the other person with whom an individual entered into marriage as defined or recognized under state law for purposes of marriage in the State in which the marriage was entered into or in the case of a marriage entered into outside of the State, if the marriage is valid in the place where entered into (Place of celebration) and could have been entered into in at least one State. This definition includes an individual in a common law marriage that either: (1) was entered into in a State that recognizes such marriages; or (2) if entered into outside of the State, is valid in the place where entered into and could have been entered into in at least one State.

4.7-8 Under the FMLA a "parent" is defined as a biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to the employee when the employee was a son or daughter. This term does not include parents "in law".

4.7 FAMILY LEAVE

ADMINISTRATOR

4.7-9 The Human Resources Director is the Administrator of the County's FMLA policy.

BEGINNING DATE AND REQUEST FOR LEAVE

4.7-10 Leave taken under this policy will begin on the first day of absence and must be requested by the employee on a Human Resources Request for Leave form at least 30 days in advance of the need for leave, if possible, or within 1 or 2 days after the need for leave is known. An employee requesting leave for planned medical treatment must consult with his department head to work out a treatment schedule that best meets the needs of both employer and employee, subject to the approval of the health care provider.

POSSIBLE DELAY

4.7-11 If an employee fails to give 30 days' notice of foreseeable leave and has no reasonable excuse, it may delay the start of FMLA leave until at least 30 days after the notice is given.

REQUIRED PAPERWORK

4.7-12 If the FMLA leave is related to a serious health condition, a completed "Certification of Health Care Provider" form must be sent to the Administrator before FMLA leave will be approved. Only when there is no advance notice of the need for leave (e.g., heart attack, stroke) may leave be approved prior to receipt of the completed certification. The County may require that a second opinion be obtained at the County's expense. In the event of conflicting opinions, the County may pay for a third and final provider to offer a binding decision.

PERIODIC UPDATES

4.7-13 Except for leaves due to the birth, adoption, or placement of a child, leaves under this policy that are longer than 30 days will require periodic updates from the employee's treating physician if (1) no definite date was indicated on the original Certification of Health Care Provider as the employee's date to return to work, or (2) the employee's health care provider recommends that the leave be extended for an additional length of time. Failure to submit required updates to the FMLA Administrator may result in the employee's discontinued entitlement to leave.

PRIVACY

4.7-14 Elected officials and department heads are not entitled to view or copy the completed "Certification of Health Care Provider" form but will be consulted about the need for and scheduling of time off. All FMLA related documentation should be submitted by the employee or doctor's office directly to the Human Resources Department and should be marked confidential due to HIPAA privacy rights (patient confidentiality). No medical files should be kept by any department other than Risk Management for the purposes of administering workers compensation claim files and/or those classes of users of Protected Health Information (P.H.I.) as allowable under the Montgomery County Employee Benefit Plan Health Insurance Portability and Accountability Act of 1996 (H.I.P.P.A.) Policy (see Section IX – Classes of Users of Protected Health Information).

4.7 FAMILY LEAVE

INTERMITTENT LEAVE

4.7-15 Leave may be taken on an intermittent or reduced basis for the birth or adoption of a child if the arrangement is agreed to by the department head. Leave for serious health conditions, either of a family member (as defined in this policy) or the employee may be taken intermittently or on a reduced schedule if medically necessary. The employee must attempt to schedule intermittent leave at a time that is least disruptive to the department, if possible. Employees must abide by their departmental call-in policy while on intermittent leave.

REQUEST OF BOTH SPOUSES

4.7-16 In cases where both spouses work in the same department for Montgomery County and both wish to take leave to care for a newly arrived child, their aggregate leave may be limited to 12 weeks of leave. Depending on the needs of the department, additional time may be allowed, at the department heads discretion, but the total leave under FMLA for each parent is not to exceed 12 weeks. If the leave is requested because of the illness of a child or the spouse, each spouse is entitled to up to 12 weeks of leave, if necessary.

CHARGING ACCRUED TIME

4.7-17 Time off caused by events qualifying under the FMLA should be coded to FMLA payroll codes as follows:

A. Code 050 if using sick leave (should be used first.)
B. Code 051 if using personal leave
C. Code 052 if using comp time
D. Code 053 if using holiday leave
E. Code 054 if using vacation
F. Code 055 if employee is on an unpaid status
G. Code 028 if being paid with time from the sick leave pool

See Sick Leave Pool Policy 4.15 for requirements regarding withdrawing funds from the Sick Leave Pool.

PAYROLL CHANGE FORM

4.7-18 Once an employee has used all accrued leave balances, the department head should submit a completed Payroll Change Request Form to the Auditor's Department requesting that the employee be placed on unpaid FMLA leave effective the day that leave accruals have been exhausted. When the employee is released to return to work, another payroll change request must be submitted returning the employee from unpaid FMLA, making it effective the date of return.

4.7 FAMILY LEAVE

RETURN TO WORK

4.7-19 Employees whose leave was based on their own serious health condition must provide a doctor's release stating that they are able to return to work, and the FMLA requires the employee be returned to the same job or one that is nearly identical. If the employee is not returned to the exact same job, the new position must: 1) involve the same or substantially similar duties, responsibilities, and status; 2) include the same general level of skill, effort, responsibility, and authority; 3) offer identical pay, including equivalent premium pay, overtime, and bonus opportunities; 4) offer identical benefits (such as life insurance, health insurance, sick leave, vacation, etc.; and 5) offer the same general work schedule and be at the same (or a nearby) location. If an employee exhausts FMLA leave entitlement and is unable to return to work, the employer is not required to restore the employee to his or her position. If an employee is restricted in performing any of the essential functions of his or her job, those restrictions must be specifically stated; it will be the department head's decision as to whether or not the restrictions are so limiting that they prevent the employee from doing his or her job within the department. (If the illness or injury that caused the absence has resulted in a permanent disability please call the Human Resources Director for guidance.)

RETURN TO WORK

4.7-20 Employees returning from FMLA for a family member must submit written notice to the Human Resources Department stating the effective date they no longer need FMLA. This notice should be submitted by the employee on the employee's first day back at work, or as soon as possible thereafter.

MAXIMUM LENGTH OF LEAVE

4.7-21 No employee is guaranteed that his job will be held open for any period of time unless he is entitled to and files for leave under the Family and Medical Leave Act, in which case he will be entitled to up to 12 weeks (480 work hours) of leave, after which time the employee may be terminated if he is still unable to perform the essential functions of the same or nearly identical position, with or without reasonable accommodation. The employee must provide the paperwork required under Sections 4.7-10 and 4.7-12 (as applicable) of this policy. Based on the circumstances and the needs of the department, up to 14 weeks of additional leave may be granted at the discretion of the elected official or department head; however, additional leave is not guaranteed. This additional leave is not extended FMLA. It is Leave of Absence-Extended. Once regular accruals are exhausted, Leave of Absence-Extended (payroll code 097) will be used to code the employee's time off. Employees who do not qualify for leave under the Family and Medical Leave Act are not guaranteed that their positions will be held open for any length of time beyond the number of accrued benefit hours.

4.7 FAMILY LEAVE

WRITTEN REQUEST FOR EXTENSION

4.7-22 Employees requiring leave over and above their 12-week FMLA entitlement (480 work hours) must make a specific written request to their elected official or department head for additional leave or leave may not be extended. Current documentation from the treating physician, certifying the continued need for leave, must be sent directly to the Human Resources Department (not to the employee's department or supervisor).

CONTINUATION OF HEALTH/LIFE BENEFITS

4.7-23 The County shall continue to pay the County paid/subsidized employee medical rate and basic group term life costs for the employee's coverage for an employee with benefits who is on FMLA. The employee must submit payment for any normal contributions to the cost of benefit elections that would have been deducted through payroll; failure to do so may result in loss of coverage. Employees should contact Risk Management for details regarding any benefit payments due.

BENEFITS ACCRUAL

4.7-24 Employees must be on a paid status for at least half a pay period (normally 40 hours) in order to accrue paid leave for that pay period.

ABUSE OF BENEFIT

4.7-25 Any employee found abusing this policy, e.g., falsely reporting that he has a situation that falls under the Family and Medical Leave Act when he does not, or not returning to work when he is able, is subject to discipline, up to and including discharge.

NON-COUNTY EMPLOYMENT

4.7-26 An employee on FMLA may not perform any outside employment or engage in any extra duty employment on the same calendar day(s) that they code time off work with any FMLA or Workers Compensation codes. This includes volunteer activities that would involve any restrictions that the employee's doctor may have placed on the employee as a result of his or her FMLA event. Employees should contact Risk Management for details regarding Non-County Employment under a Workers Compensation claim.

WORKER COMPENSATION

4.7-27 Time off work due to a job-related illness or injury will run concurrent with time to which the employee is otherwise entitled under the Family and Medical Leave Act. An approved leave of absence may be extended beyond the time to which the employee is otherwise entitled under FMLA for a County Law Enforcement Official who is injured and hospitalized or incapacitated in the course of their official duties under the provisions of the Texas Constitution Article 3, Sec 52 (e) and as approved by the Elected or Appointed Official in charge of the injured Law Enforcement Official but not exceed the provision of the Texas Constitution Article 3, Sec 52 (e).

4.7 FAMILY LEAVE

PREGNANCY DISCRIMINATION ACT

4.7-28 As outlined above, Section 4.7-1 states an employee is entitled to the protection offered by the Family and Medical Leave Act of 1993 for the birth of their child if the employee qualifies for FMLA.

The Pregnancy Discrimination Act prohibits employers from terminating employees because they are pregnant or recently gave birth to a child. The Pregnancy Discrimination Act also requires employers to give pregnant employees the same kind of leave benefits as other employees who have short term health conditions that may require leave or limited work duties. That means if employers would offer leave for employees with injuries or surgeries then it must give pregnant employees the same leave privileges as those other employees. However, the PDA does not require employers to offer leave time and if the employer would not offer other employees leave time, then it does not have to offer pregnant employees leave time. If offered leave time, employees are required to return to work once they are released as "fit for duty" by their doctor.

ADDITIONAL PROVISIONS

4.7-29 Any areas of the Family and Medical Leave Act of 1993 not specifically addressed in this policy will be administered in accordance with the legal requirements of the Act, a copy of which is on file in the Human Resources Department.

4.8 PERSONAL LEAVE

PURPOSE 4.8-1 Montgomery County recognizes that from time to time employees have personal business that must be conducted during normal working hours.

ELIGIBILITY 4.8-2 Only regular full-time employees scheduled to work a minimum of 80 hours per pay period are eligible for this benefit.

WAITING PERIOD 4.8-3 An employee may not use personal leave until he/she has been employed for three months or longer.

ACCRUAL RATE 4.8-4 All eligible employees accrue .6154 hours of personal leave each pay period.

USE AND SCHEDULING 4.8-5 Use of personal leave must be scheduled and approved in advance. In emergency situations, the department head may waive the requirement for advance notice.

CARRY OVER 4.8-6 Up to 8 hours of personal leave may be carried over to the next calendar year, however personal leave hours have no value upon termination of employment. Any accrued amount over 8 hours will be added to an employee's sick leave balance.

4.9 HOLIDAYS

ELIGIBILITY

4.9-1 All regular full-time employees of Montgomery County shall be eligible to receive time off with pay for each official County holiday. The employee must be on the job their full, regularly scheduled hours the work days preceding and following the holiday unless taking approved paid leave time. The elected official or department head may require documentation from a doctor in order for holiday pay to be approved after an employee has called in sick the work day preceding or following the holiday.

HOLIDAYS

4.9-2 The County's official holidays are:

New Year's Day - January 1
Martin Luther King Day – Third Monday in January
Presidents' Day – Third Monday in February
Good Friday - Friday before Easter
Memorial Day - Last Monday in May
Independence Day - July 4
Labor Day - First Monday in September
Veterans Day – November 11
Thanksgiving - 4th Thursday and Friday in November
Christmas Eve - December 24
Christmas Day - December 25
Others as Commissioners Court may designate

WEEKEND HOLIDAYS

4.9-3 Holidays falling on a weekend shall be observed on a day preceding or following the official day.

TIME ACCRUAL

4.9-4 The pay period prior to an official holiday, employees will be credited with eight hours holiday pay. During a week in which a designated holiday occurs, the employee shall deduct from his holiday bank the number of hours missed because of the holiday. An employee may not work on the holiday without being asked to do so by his/her elected official or department head.

WORK ON A HOLIDAY

4.9-5 An employee who is required to work on a holiday must use his/her holiday hours on another date approved by his/her supervisor.

LIMITED CARRY OVER

4.9-6 Employees required to work on a County holiday falling between November 20 and December 31 or whose regular day off is a County holiday falling between November 20 and December 31 may carry over those holiday hours (maximum 32) to the next calendar year.

4.9 HOLIDAYS

TERMINATION OF EMPLOYMENT

4.9-7 Employees terminating from Montgomery County will be paid for any remaining unused holiday hours.

HOLIDAYS DURING LEAVE OF ABSENCE

4.9-8 An employee who is on an unpaid leave of absence will not be paid for any official holidays occurring during such leave; the appropriate number of hours will be deducted from his/her holiday bank for each day. It is the department's responsibility to notify the Human Resources Department in writing so that adjustments can be made.

AMOUNT CHARGED

4.9-9 Employees will receive 8 hours of holiday pay for each official holiday. Any hours over 8 that the employee is scheduled to work but takes off work for the holiday must be coded to the employee's other accrued time.

MONITORING

4.9-10 Elected officials and department heads are expected to monitor hours charged to holiday time to ensure that hours carried over from the previous year are used by June 30.

4.10 FUNERAL LEAVE

DEATH OF FAMILY MEMBER

4.10-1 In the event of the death of a regular full-time employee's immediate family member, a maximum of three days' leave with pay (24 hours) may be granted to the employee at the discretion of the elected official or department head; those employees budgeted for, scheduled for, and working at least 30 but less than 40 hours per week shall be paid for a prorated number of hours (e.g., a 30-hour per week employee would be paid for 18 hours instead of 24, a 32-hour per week employee would be paid for 19.2 hours, etc.). The length of the leave should be dependent on the location of the funeral (whether out of state or in town), the familial relationship, and the responsibilities placed on the employee as a result of the death.

4.10-2 The term "immediate family" is defined as:

Spouse of employee
Parent of employee or spouse
Grandparent of employee or spouse
Child of employee or spouse
Grandchild of employee or spouse
Brother or sister of employee or spouse
Step-parent or step-child of employee or spouse
Ward of employee or spouse
Any other relative of employee or spouse living in the same household with the employee and spouse

4.10-3 Special consideration may also be given to any other person whose association with the employee was similar to the above relationships.

DEATH OTHER THAN FAMILY

4.10-4 In the event of the death of a County employee or someone closely associated with Montgomery County, a department head may approve representation at the funeral. Those who attend at the direction of their elected official or department head are representing Montgomery County, and therefore their hours will be considered worked hours.

4.11 JURY/WITNESS LEAVE

JURY LEAVE

4.11-1 The County considers jury duty an important aspect of our democracy. Employees are encouraged to serve when called. An employee summoned for jury duty will be excused from work and will receive his regular rate of pay, in addition to jury pay, for time he is required to serve. An employee must notify his supervisor as soon as possible if a summons is received. If not selected for a jury or if released from duty prior to the end of the normal work day (8 a.m. to 5 p.m.) the employee must report to work at that time. Employees whose work shifts normally conclude after 6 p.m. are not expected to report to work after serving as a juror for at least seven hours during the same day.

WITNESS LEAVE

4.11-2 Employees who are served a subpoena to appear in court during their normal work hours as a witness for Montgomery County will receive their regular rate of pay for time spent in court. Employees will not be paid for time spent in non-county job-related court appearances which are not compelled by subpoena unless accrued leave hours, other than sick leave, are used.

PRIVATE LAWSUITS

4.11-3 An employee involved in private litigation in which he/she is the principal party must use accrued leave hours, other than sick leave, in order to be paid for hours of work missed.

SHIFT WORKERS

4.11-4 Employees whose normal work hours are not the standard 8 a.m. to 5 p.m. but instead are in the late evening and early morning are encouraged to meet with their elected official or department head to determine a work schedule that is appropriate; said work schedule may include a reduced number of hours or no hours for the period of time summoned.

4.12 MILITARY LEAVE

PURPOSE

4.12-1 Montgomery County has certain obligations to employees called to serve in the uniformed services of the U.S. under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), as amended. Employees who perform and return from military service or certain types of service in the National Disaster Medical System retain certain rights with respect to reemployment, retention in employment, promotion, or any benefit of employment.

4.12-2 Protection is extended to applicants for employment who may not be denied initial employment because of military application or status as well as current employees who apply for membership in the uniformed services.

BENEFITS

4.12-3 The maximum period of continuation of employee medical benefits and basic term life insurance for an employee who is on leave under the provisions of this policy shall be as stated in Section 4317 of USERRA.

PAY

4.12-4 An employee who is a member of the state military forces or a reserve component of the armed forces is entitled to a leave of absence from his/her duties on days in which the person is engaged in authorized training or duty ordered or authorized by proper authority. During a leave of absence, the person may not be subjected to loss of time, vacation time, or salary, however the leave of absence may not exceed 15 days in a federal fiscal year.

4.12-5 Any military leaves of absence in excess of 15 work days will be unpaid unless an employee chooses to use available accrued leave hours, other than sick leave, in order to be paid.

RESPONSE DURING DISASTER

4.12-6 An employee who is a member of the Texas military forces, a reserve component of the armed forces or a member of a state or federally authorize urban search and rescue team called to state active duty by the governor, or another appropriate authority, in response to a disaster, is entitled to up to 7 days of paid disaster leave per fiscal year. This leave is in addition to the paid leave provided for approved training or duty otherwise authorize or ordered. During disaster leave under these provisions, the person may not be subjected to loss of time, efficiency rating, personal time, sick leave, or vacation time.

NOTICE OF INTENT

4.12-7 It is the employee's responsibility to provide verbal or written notice to his/her supervisor as soon as possible after learning that he/she has been called to active duty; likewise, it is the employee's responsibility to notify his/her supervisor once he/she has been released from service and/or decided not to return to employment with Montgomery County.

FULL COMPLIANCE

4.12-8 The County intends to comply fully with the provisions of USERRA and expects employees called to duty to do the same. It is not the County's intent to

4.12 MILITARY LEAVE

grant employees rights that exceed those required under the law. It is illegal for the County to retaliate against anyone assisting in the enforcement of USERRA rights, including testifying or making a statement in connection with a proceeding under USERRA, even if that person has no service connection.

LIABILITY

4.12-9 Elected officials, department heads, and supervisors are personally liable for violating the provisions of USERRA.

4.13 UNPAID LEAVE

PURPOSE

4.13-1 An unpaid leave of absence for personal reasons may be granted under certain conditions. The amount of time granted for such leave shall be determined by the individual circumstances requiring the absence, the employee's length of service, the demands of the department, and any other factors the elected official or department head feels are relevant. In all cases, the department must consent to the leave, or it will not be granted.

RESTRICTIONS

4.13-2 Any employee who requests and obtains leave under false pretenses or uses said leave for any purpose other than that stated is subject to disciplinary action, up to and including discharge. Additionally, before an employee takes an unpaid leave, all eligible accrued leave balances must have been used.

NECESSARY PAPERWORK

4.13-3 An unpaid leave of absence longer than one pay period (14 calendar days) must be approved by Commissioners Court: The elected official or department head will submit a Payroll Change Request Form to the Budget Office for processing. Once the leave has been approved, the employee's absence should be reflected on the payroll authorization sheet submitted to the County Treasurer's Office using payroll code 097. Absences of 14 days or less must be reflected on the payroll authorization sheet with payroll code 099, however they do not require the submission of a Payroll Change Request Form or the approval of Commissioners Court.

BENEFITS ACCRUAL

4.13-4 Employees do not accrue vacation, sick leave, or personal leave unless they are on a paid status for at least 40 hours during a pay period.

CONTINUATION OF MEDICAL BENEFITS

4.13-5 An employee on an unpaid leave of absence of 15 days or more, unless the absence is covered under the Family and Medical Leave Act, is responsible for payment for medical and life insurance benefits as well as any additional premiums for dependents and/or supplemental coverage. Failure to submit payment in a timely manner may result in loss of coverage.

EXCLUSIONS

4.13-6 This policy does not apply to unpaid leave required by the Family and Medical Leave Act, additional disability leave granted under the County's Family Leave Policy, military leave, or qualified workers' compensation leave.

MAXIMUM LENGTH OF LEAVE

4.13-7 The maximum length of time a position will be held open under this policy is 12 weeks. After that period of time employment will be terminated.

4.14 DISASTER POLICY

PURPOSE 4.14-1 The County recognizes that from time to time adverse weather conditions or similar situations will prevent employees from working their regularly scheduled hours.

PROCEDURE 4.14-2 When employees are instructed to stay home due to adverse weather conditions or natural disasters, the hours that would have been worked shall be charged to payroll code 032 (Authorized Time Off), and the employees will be paid for said time.

EMPLOYEES REQUIRED TO WORK 4.14-3 In situations where employees in certain positions (essential personnel) are instructed to report to work due to a county wide disaster being issued, the employee shall charge the actual time worked with their regular payroll code and an additional leave code 331 (Disaster PTO), in an amount of leave equal to the actual hours worked.

ACCRUED LEAVE 4.14-4 Employees who received prior approval to take vacation, sick leave, family medical leave, personal time or holiday leave during periods of closure are not eligible to claim Disaster PTO hours.

PART-TIME EMPLOYEES 4.14-5 Part-time employees are eligible for Disaster PTO only if they are scheduled to work the days the disaster is declared and only for the amount of hours they are scheduled to work.

EMPLOYEES REQUIRED TO WORK PARTIAL DAYS 4.14-6 If employees actually work part of the day but are instructed to leave due to the disaster, employees should charge the time they actually work to their regular work code and the remaining hours of the day to code 032 (Authorized Time Off). Employees should also use code 331 in the amount of leave equal to the actual hours worked.

USE OF DISASTER PAID TIME OFF 4.14-7 The time charged to code 331 leave (Disaster PTO) must be used within 90 (ninety) days from the date it is earned and must be scheduled in advance and approved by the Elected Official or Department Head. When an employee uses time banked due to a disaster, this time must be coded to code 332 (Disaster PTO used). Disaster PTO hours are not paid upon termination.

AUTHORITY 4.14-8 The County Official who instructs an employee(s) to stay home, must be an official vested with such authority.

4.15 SICK LEAVE POOL

PURPOSE

4.15-1 Montgomery County values its employees and realizes that from time to time they may experience catastrophic illnesses or injuries which necessitate their being absent from work longer than the time for which they have accrued benefit hours. With this in mind, employees are able to donate hours to the County's sick leave pool for use by those employees who fall into this category.

ELIGIBILITY

4.15-2 In order for an employee to be eligible to receive benefit hours from the sick leave pool, he must (1) have worked continuously for Montgomery County on a full-time basis for one year or more, (2) contribute at least eight hours to the sick leave pool by January 31 of the same calendar year and before his leave begins, and (3) have a personal illness which is catastrophic.

4.15-3 Only employees who have exhausted all accrued leave and compensatory time to which they are entitled are eligible to use hours from the sick leave pool.

DEFINITION

4.15-4 A "catastrophic illness or injury" is a severe condition or combination of conditions that most likely would result in death if not treated as documented by the treating physician.

PRIOR FMLA APPROVAL NECESSARY

4.15-5 An employee must have submitted completed paperwork as allowed under the Family Medical Leave Act and required under Montgomery County's Family Leave Policy and been on approved FMLA leave for 20 work days or more due to the medical condition before he/she may use hours from the sick leave pool. All medical information obtained will remain confidential.

ADMINISTRATOR

4.15-6 The Human Resources Director is the Administrator of this program and will deny in writing contributions to and withdrawals from the pool when appropriate. She may require an employee to provide additional or updated information or documentation in order to determine whether to approve or continue a request for sick pool leave. The employee and department head will be notified of the approval or denial of the request.

APPEALS

4.15-7 Employees wishing to appeal the Administrator's denial of a request may submit a request for appeal to the Human Resources Department. The appeal will then be considered by a committee composed of the Director of Risk Management, the Auditor, a Commissioner, and the current Chairperson of the Employees' Committee.

CONTRIBUTIONS

4.15-8 Contributing to the sick leave pool is strictly voluntary; no less than 8 nor more than 16 hours per year may be contributed by any one employee. The hours will be deducted from the contributing employee's sick leave balance as if he/she had used them. Those wishing to contribute hours must complete a Montgomery County Sick Leave Pool Contribution Form and forward it to the Administrator.

4.15 SICK LEAVE POOL

WITHDRAWALS

4.15-9 To apply for hours from the sick leave pool, an eligible employee must complete a Montgomery County Request for Donated Sick Leave Form and submit it to the Administrator.

4.15-10 Eligible employees will receive their rate of pay being earned just prior to the leave and may be paid for time equal to one-third (1/3) of the total amount of time available in the pool or up to 90 days (720 hours), whichever is less. Leave will be distributed on a first-come, first-served, basis and will be approved on a per-pay-period basis; the need must be supported by a completed Certification of Health Care Provider, and updates from the treating physician submitted at least every 30 days. In no case will a continuous leave be granted that exceeds 14 weeks, not including time to which the employee may be entitled under the Family and Medical Leave Act (up to 12 weeks or 480 hours).

4.15-11 The maximum number of days an employee may draw from the sick leave pool during his/her employment with Montgomery County is 135 days (1,080 hours).

ADMINISTRATION

4.15-12 When an employee is being paid from the sick leave pool, the department head (or his/her designee) shall complete a time sheet for the employee, charging the employee's time to payroll code 028.

4.15-13 In no case will the estate of a deceased employee be entitled to payments for unused sick leave acquired by the employee from the sick leave pool.

BENEFITS

4.15-14 The County shall continue to pay for the employee's medical and basic term life insurance coverage while he/she is on leave.

ABUSE OF BENEFIT

4.15-15 Any employee found abusing this policy, e.g., reporting that he is sick when he is not, or not returning to work when he is able, is subject to discipline, up to and including discharge.

4.15-16 An employee may not perform any outside work or engage in any extra duty employment on the same calendar day(s) that he is paid with hours from the sick leave pool.

4.16 NURSING MOTHER BREAKS

PURPOSE

4.16-1 This policy is intended to provide guidance for managers and employees of Montgomery County to support breastfeeding employees. Lactating mothers must be afforded flexibility in their work schedules, such that the use of leave without pay is not required to cover time used for milk expression.

NOTIFICATION

4.16-2 Employees must notify their supervisor of their intention to express breastmilk so accommodations can be scheduled.

SCHEDULING

4.16-3 Work schedules and work pattern flexibility will be provided to accommodate a reasonable break time for an employee to express breastmilk for her nursing child each time such employee has need to express the milk for up to one year after the child's birth.

4.16-4 A breastfeeding employee is allowed to express milk during work hours, using her normal meal and break times. For time needed beyond these usual breaks, the employee may work alternate hours authorized by their supervisor.

FACILITIES

4.16-5 Each Montgomery County department is required to designate a location at each facility with private space, other than a bathroom, shielded from view and free from intrusion for lactating employees to express milk. Where feasible, that space will be dedicated for the specific use of expressing milk. Where dedicated space is not feasible, a mixed-use space may be designated and lactating mothers will have priority over all other uses of the space.

SANITATION

4.16-6 Designated locations will include a safe, clean water source within reasonable distance from the lactation space. Employees may store their expressed milk in their own personal coolers with ice packs or in a labeled, closed container in a nearby refrigerated space.

4.16-7 Special accommodations will be made for mobile employees.

BREASTFEEDING

4.16-8 In accordance with Texas Health and Safety Code Section 165.002, Montgomery County recognizes that a mother is entitled to breastfeed her baby in any location in which she is authorized to be.

EDUCATION

4.16-9 Prenatal and postpartum breastfeeding education and information is available for interested mothers and fathers from the Human Resources Department.

MONTGOMERY COUNTY, TEXAS
EMPLOYEE POLICY MANUAL
4. BENEFITS AND LEAVE

4.17 QUARANTINE LEAVE

PURPOSE

4.17-1 The purpose of this policy is to provide guidance in accordance with Chapter 180.008 of the Local Government Code regarding paid quarantine leave for peace officers, emergency medical technicians and detention officers who are ordered to quarantine by a supervisor or the local health authority due to a possible or known exposure to a communicable disease while on duty.

DEFINITIONS

4.17-2 This policy only applies to Peace Officers, Emergency Medical Technicians and Detention Officers employed by Montgomery County.

A. "Health Authority" has the meaning assigned by Section 121.021, Health and Safety Code.

B. "Emergency medical technician" means an individual who is certified as an emergency medical technician under Chapter 773, Health and Safety code; and employed by the County.

C. "Peace officer" means an individual described by Article 2.12, Code of Criminal Procedure, who is elected for, employed by or appointed by the county.

D. "Detention officer" means an individual appointed or employed by a political subdivision as a county jailer or other individual responsible for the care and custody of individuals incarcerated in a county jail.

WAITING PERIOD

4.17-3 There is no waiting period following employment to be eligible for quarantine leave. Supervisors, in coordination with the Human Resources department, will order the use of quarantine leave based on the Health Authority's protocol for appropriately dealing with the disease and/or its prevention of community spread.

RELEASE AND RETURN TO WORK

4.17-4 Employees will be released from quarantine leave and able to return to work based on guidance from the local Health Authority and/or medical physician.

WORKERS COMPENATION

4.17-5 Employees on paid quarantine leave will be treated consistently with other worker's compensation claims and continue to be eligible for all employment benefits and compensation, including continuing their leave accrual, retirement benefits and eligibility of health and medical plan benefits for the duration of the leave.

4.17-6 While on quarantine leave, the employee may not use any other paid leave type (vacation, sick, holiday), with the exception of salary continuation under worker's compensation, when applicable.

4.17 QUARANTINE LEAVE

REIMBURSEMENT

4.17-7 Employees who must be quarantined may be eligible for reimbursement for reasonable costs related to quarantine, including lodging, medical, and transportation. Employees must receive approval from their supervisor prior to incurring quarantine expenses. Receipts and requests for reimbursement must be submitted to the Auditor's office for reimbursement.

ABUSE OF LEAVE

4.17-8 Quarantine is not vacation leave and the employee is expected to follow call in procedures and quarantine protocol. Any employee found abusing this policy by not following the protocol for being in quarantine is subject to discipline, up to an including discharge.

4.17-9 An employee may not perform any outside work or engage in any extra duty employment during the same calendar day(s) they are paid with hours from quarantine leave.

BENEFITS AND ACCRUALS

4.17-10 All employees on quarantine leave shall continue to be eligible and receive all employment benefits and compensation, including leave accrual, retirement contributions, and medical plan benefits.

LEAVE BALANCES

4.17-11 For days that employees are out on approved quarantine leave, time out will not be charged to their sick leave, vacation, holiday, or other paid leave balances. If it is determined any employee failed to follow this policy, or if their absence is found to not qualify under the quarantine leave policy, the employee will have to identify an appropriate leave category for their absence to be charged to.

4.18 MENTAL HEALTH LEAVE

PURPOSE

4.18-1 The purpose of this policy is to provide guidance in accordance with Chapter 614.015 of the Texas Government Code regarding Mental Health Leave for sworn peace officers who experience a "traumatic event" in the scope of their employment

DEFINITIONS

4.18-2 "Traumatic event"- an event which occurs in the peace officers(s) scope of employment when the officer is involved in the response to, or investigation of, an event that causes the officer to experience unusually strong emotional reactions or feelings which have the potential to interfere with their ability to function during or after the incident. The events may include, but are not limited to the following:

A. Major disasters which may include response to weather related events involving one or more casualties; or explosions with one or more casualties; or search and recovery missions involving one or more casualties;

B. Incidents involving one or more casualties which may include shootings, violence or accident;

C. Line of duty death or suicide of a department member;

D. Officer(s) involved shooting of a person.

4.18-3 Mental health leave – administrative leave with pay granted in response to a traumatic event that occurred in the scope of the peace officer's employment.

4.18-4 Mental Health Professional - a licensed social or mental health worker, counselor, psychotherapist, psychologist or psychiatrist.

4.18-5 Sworn peace officer – as defined under the Code of Criminal Procedure 2.12, and employed by Montgomery County agencies.

ELIGIBILITY

4.18-6 Sworn peace officers involved in a traumatic event causing a need for mental health leave are not required to wait the usual 90-day waiting period in order to be eligible to request the use of leave.

AMOUNT OF LEAVE

4.18-7 A sworn peace officer may be allowed up to forty-eight (48) hours or six (6) days of paid mental health leave per event. This will not reduce the employees sick leave, vacation leave, holiday or other paid leave balances.

4.18 MENTAL HEALTH LEAVE

REQUEST PROCESS

4.18-8 The request shall be made, in writing, by the employee or their supervisor through the chain of command, or ordered by a mental health professional, to the Montgomery County Human Resources Department.

PRIORITY

4.18-9 The request shall be treated as a high priority matter and a decision on granting the leave shall be made no later than 24 hours following the submission of the request. Unless the chain of command can provide specific compelling reasons to deny granting the leave, the leave will be granted.

CONFIDENTIALITY OF REQUEST

4.18-10 Any request for mental health leave shall be treated as strictly confidential by all parties involved and shall not be discussed or disclosed outside the sworn officer's chain of command and only as necessary to facilitate the use of the leave. Any breach of this confidentiality shall be grounds for discipline.

4.18-11 Confidentiality may be waived by the sworn officer seeking mental health leave or in the event circumstances indicate the officer is a danger to himself/herself or others. The employee's office should coordinate with Human Resources to ensure this policy is implemented, as applicable.

5.0 PAY PRACTICES AND WORK HOURS

PAY PERIODS

5.0-1 All Montgomery County employees will be paid on Fridays on a bi-weekly basis. There is a seven day lag between the close of the pay period and the issuance of the pay check (i.e., the check covers the two-week period ending at midnight on the Friday before the check is issued).

HOLIDAYS

5.0-2 When a County holiday falls on a Friday or, in the case of Thanksgiving Thursday and Friday, every effort will be made to issue pay checks the day prior to the holiday, however there may be situations that delay issuance of checks until the first normal working day following the holiday.

WORK HOURS

5.0-3 Most Montgomery County employees work Monday through Friday from 8 a.m. to 5 p.m. In an effort to allow employees to work schedules which meet their personal needs while at the same time ensuring that County government will operate as efficiently as possible, elected officials and department heads are encouraged to allow their employees to adopt alternative work schedules: A suggested option is four 10-hour days each week or some other modified work schedule which is mutually beneficial.

5.0-4 The need for or desirability of schedules which vary from the normal 8 a.m. to 5 p.m. workday will be determined by each elected official or department head. Employees within the same department may adopt different work schedules with the approval of the elected official or department head.

EXCEPTIONS

5.0-5 In order to meet the needs of the County, certain departments or employees may be required to work a schedule that varies from any described in Section 5.0-1, e.g., those departments that are staffed 24 hours per day. In addition, all employees are subject to being called in to work in case of emergency or special need.

WORKDAY

5.0-6 A workday for the County shall be defined as the period beginning at midnight and ending exactly 24 consecutive hours later.

WORKWEEK

5.0-7 For purposes of record keeping and compliance with the Fair Labor Standards Act (FLSA), a workweek for all employees of Montgomery County shall be defined as beginning on Friday at midnight and ending the following Friday at midnight. For certified peace officers the work period begins Friday at midnight and ends Friday at midnight 14 days later.

MEAL PERIODS

5.0-8 Employee meal periods will be scheduled by the elected official or department head or his/her designee, depending on the needs of the department. Most County departments are open to the public during the noon hour which requires that meal periods be staggered.

5.0 PAY PRACTICES AND WORK HOURS

5.0-9 The normal length of the meal period will be one hour, however some departments schedule 30-minute meal periods. Unless instructed otherwise, the employee is to perform no work during this time and, as specified in the Fair Labor Standards Act, the time does not count as hours worked.

BREAKS

5.0-10 Some departments have scheduled breaks, one in the morning and another in the afternoon. Like meal periods, these too may be scheduled by the elected official or department head or his/her designee, depending on the needs of the department. Other departments may prefer to take a more informal approach to an employee's short time away from his/her station.

5.0-11 The number of breaks or periods of time away from the work station should be reasonable (as defined by the employee's supervisor), and each should last no longer than 15 minutes: Total break time during an 8-hour work day should not exceed 30 minutes. Time spent "on break" qualifies as time worked as specified in the Fair Labor Standards Act, and it should be recorded as such on employees' time sheets.

TIME SHEETS

5.0-12 All employees, both exempt and non-exempt under the FLSA, shall complete time sheets documenting hours worked. On the last day of the pay period that is physically worked, the employee will complete his time sheet to reflect hours worked and accrued benefit hours used through the end of the pay period. The time sheet should reflect the date it is actually completed.

5.0-13 There are occasions when time sheets must be turned in prior to the end of the pay period (e.g., in the case of holidays). Because of the number of employees in the Sheriff's Department it is usually necessary for those employees to submit their time sheets to supervisors on Wednesday of the second week of the pay period so that paychecks will be available on scheduled pay dates.

BENEFITS

5.0-14 No matter what schedule the employee is working, each full-time employee (40 hours per week) must account for 40 hours each workweek (or in the case of law enforcement, 80 hours each two-week period), i.e., an employee working four ten-hour days who takes a day of vacation after working 30 hours that week would deduct ten hours from his accrued vacation leave.

5.1 MINIMUM WAGE, OVERTIME, AND COMPENSATORY TIME

FLSA COMPLIANCE

5.1-1 In administering its wage and salary program, the minimum standards of the County will be the basic standards set forth in the Fair Labor Standards Act (FLSA) and its amendments as they apply to County government. This includes the requirement that all employees be paid equal to or higher than the minimum wage established by the U.S. Government and administered by the Department of Labor. Pay deductions that are not consistent with the minimum wage provisions of the FLSA, the principles of public accountability as specified in 29 C.F.R. §541.710, and this policy are prohibited and will be corrected as soon after discovery as possible.

APPLICABILITY

5.1-2 This policy applies to all employees of Montgomery County, both exempt and non-exempt; it does not apply to elected officials.

CLASSIFICATION

5.1-3 The Human Resources Department, with input from the elected official or department head, shall be responsible for classifying positions as exempt or non-exempt under the FLSA.

OVERTIME

5.1-4 Overtime for non-exempt non-law enforcement employees shall be all hours physically worked in excess of 40 during the workweek which is defined in Section 5.0 of this manual.

5.1-5 Overtime for non-exempt certified peace officers shall be all hours actually worked in excess of 80 during the pay period which is defined in Section 5.0 of this manual.

OVERTIME COMPENSATION

5.1-6 In most cases, a non-exempt employee who works overtime during a workweek or pay period will be given compensatory time at a rate of one and one-half hours of the employee's regular rate of pay for each hour of overtime worked.

5.1-7 If a department has budgeted funds to pay overtime, a non-exempt employee who works overtime during a workweek or pay period may be compensated at a rate of one and one-half times his/her regular rate of pay for overtime hours worked.

CALCULATION

5.1-8 In calculating "hours worked" for purposes of overtime computation, hours worked shall include only hours spent in the service of the County (as defined in the FLSA) and shall exclude all time spent on paid leave.

5.1-9 A full-time regular 40-hour per week non-exempt employee who physically works more than the number of hours required for the workweek shall be awarded overtime or compensatory time for those extra hours worked based on the employee's regular rate of pay. For example, an 8-hour per day, 40-hour per week non-exempt employee who works 34 hours during a week in which he takes a day of vacation would use 6 hours of accrued vacation and show 34 hours worked. The employee would not use 8 hours of vacation to accumulate 42 hours of work in order to receive 2 hours of compensatory time for that workweek. On the other hand, a non-exempt employee who actually works 42 hours during a single week would be awarded 2 hours of compensatory time.

5.1 MINIMUM WAGE, OVERTIME, AND COMPENSATORY TIME

MAXIMUM ACCRUAL

5.1-10 The maximum compensatory time accrual for any non-exempt employee shall be the maximum allowed under the provisions of the FLSA, i.e., 240 hours for non-law enforcement employees and 480 hours for certified peace officers.

5.1-11 When an employee has reached the maximum compensatory time accrual, he/she must be paid at a rate of one and one-half times his/her regular rate for any additional overtime hours worked.

PRE-AUTHORIZATION REQUIRED

5.1-12 An employee may not work overtime unless it has been authorized by his supervisor.

5.1-13 An employee may not work at home or anywhere outside his assigned work location unless it has been authorized by his supervisor.

COMPENSATORY TIME USE

5.1-14 Use of compensatory time shall be subject to approval by the employee's supervisor. Elected officials and department heads are encouraged to allow compensatory time to be taken as soon as possible after it is earned.

5.1-15 Compensatory time may be used as vacation, sick leave, or for any other reasons as leave with pay.

5.1-16 In order to reduce the County's liability for paid time, elected officials and department heads may require that accrued compensatory time be scheduled.

PAYMENT AT TIME OF TERMINATION

5.1-17 An individual whose employment terminates before all compensatory time is used will be paid for said time on his/her final pay check in compliance with the FLSA. Employees elected to office or changing from full time to part-time status will be paid for accrued comp time at the rate being earned on the day prior to the effective date of the change.

EXEMPT EMPLOYEES

5.1-18 An employee who is exempt from the overtime requirements of the FLSA is expected to work the appropriate number of hours required to adequately perform the job for which he was hired without compensation over and above his salary; this means he would normally be required to account for at least 80 hours each two-week pay period. This provision shall be suspended upon declaration of a state of emergency by the appropriate authority. Overtime payments may be made to otherwise exempt employees at a rate equal to their regular hourly rate if approved by Commissioners Court within sixty (60) days of the declaration.

RECORD KEEPING

5.1-19 In accordance with the principles of public accountability, Montgomery County requires that a Montgomery County time sheet be completed by each employee whether exempt or non-exempt. Employees and supervisors who do not truthfully record the time for which they and/or their employees should be paid in compliance with this policy are subject to termination of employment and prosecution.

5.1 MINIMUM WAGE, OVERTIME, AND COMPENSATORY TIME

A. Non-exempt employees are to record actual time worked calculating from the nearest 15 minutes, e.g. a person with an 8:00 a.m. to 5:00 p.m. schedule who reported in at 7:58 a.m. or 8:06 a.m. would be indicated as beginning work at 8:00 a.m. whereas 8:08 a.m. would be indicated as beginning work at 8:15 a.m. Someone working a schedule other than 8:00 a.m. to 5:00 p.m. would not necessarily calculate worked time based on the quarter clock hour but rather in 15-minute increments.

B. Exempt employees are to record vacation, sick leave, personal, and all other types of leave taken.

CONCERNS REGARDING FLSA STATUS OR PAY DEDUCTIONS

5.1-20 An employee who has concerns regarding either of the following is required to bring them to the attention of first, departmental supervisors and then, if unresolved, the Human Resources Director who will promptly investigate said concerns. If an investigation reveals noncompliance with the FLSA and County policy, any action deemed necessary to "make the employee whole" will be taken.

A. Exempt vs. non-exempt classification: An employee who feels he has been misclassified as either exempt or non-exempt;

B. Improper pay: An employee who feels he has been (1) improperly paid or (2) required to use accrued time contrary to the FLSA and this policy.

CANINE PAY

5.1-21 Montgomery County recognizes that employees assigned to work with canines may be required to perform additional tasks related to assigned canines – such as feeding, grooming, training, and exercising with the canine; transporting the canine to and from veterinarian appointments; and cleaning vehicles in which the canine rides – and that these tasks are often performed outside of the employees' regularly scheduled work hours. In recognition of the additional tasks required by the employees' assignment, employees assigned to work with one or more canines will receive additional compensation of $250 per biweekly pay period. Beginning October 1, 2014, Commissioners Court must approve each additional canine the County acquires, and each such additional canine shall be assigned to an employee as determined by the elected official or department head for which the additional canine was approved.

This policy applies to part-time employees and FLSA-exempt employees as well as to full-time non-FLSA-exempt employees; therefore, all county employees assigned to work with a law enforcement canine shall receive the additional compensation of $250 per biweekly pay period as provided in this section.

5.2 JOB CLASSIFICATION SYSTEM

PURPOSE

5.2-1 Montgomery County is committed to attracting and retaining the best work force possible. For that reason, Commissioners Court strives to offer salaries that are internally equitable and externally competitive.

JOB CLASSES

5.2-2 Each Montgomery County position is assigned a job class; like jobs are assigned to the same job class.

PAY GRADES

5.2-3 Each Montgomery County job class is assigned a salary grade based on the duties of the position. The greater the level of responsibility and difficulty of the position, the higher the job grade. Salary grades range from grade 1 to grade 20.

PAY RANGES

5.2-4 Each salary grade has a corresponding pay range, with a minimum, midpoint, and maximum level. Normally the salary of a new employee will not be approved above the midpoint of the salary range.

5.2-5 Pay ranges will be monitored and adjusted from time to time, based on the local job market and the Consumer Price Index.

5.2-6 An employee receiving a pay rate above the maximum for his/her pay grade will not receive any further salary increases until his/her salary no longer exceeds the maximum for the pay grade.

MONTGOMERY COUNTY, TEXAS
EMPLOYEE POLICY MANUAL
5. WAGE AND SALARY ADMINISTRATION
5.3 PERFORMANCE EVALUATIONS

PERFORMANCE EVALUATIONS FOR DEPARTMENT HEADS (APPOINTED BY COMMISSIONERS COURT)

5.3-1 The purpose of performance evaluations for department heads appointed by Commissioners Court is to assess performance in the context of Montgomery County's mission and goals. These evaluations are a tool to establish Commissioners Court's expectations for the overall department and to create a positive atmosphere for growth in professional competence and leadership.

The goals of performance evaluations for department heads appointed by Commissioners Court are to promote accountability, judge performance, strengthen and promote effective leadership, and focus on successes.

Commissioners Court should evaluate department heads appointed by Commissioners Court no less than once a year. The Performance Evaluation form for department heads is posted on Montgomery County's Intranet website.

PERFORMANCE EVALUATIONS FOR EMPLOYEES

5.3-2 The purpose of performance evaluations for Montgomery County employees is to discuss the employee's performance in relation to his or her job duties and responsibilities. A written performance evaluation and an evaluation interview must be conducted at least once a year in January to reflect the employee's performance during the preceding year. The Human Resources Department must maintain original Performance Evaluation forms in each personnel file. The Performance Evaluation form for employees is posted on Montgomery County's Intranet website. Some departments choose to develop and use their own standardized evaluation form.

Written performance evaluations should be discussed with the employee in a face-to-face meeting with his or her supervisor(s). The evaluator and the employee should sign the evaluation at the end of the interview. An employee's signature does not indicate that he or she concurs with the evaluation, only that he or she received the evaluation.

5.4 POSITION DESCRIPTION QUESTIONNAIRE (PDQ)

POSITION DESCRIPTION QUESTIONNAIRE (PDQ)

5.4-1 Position Description Questionnaires (PDQ) are vital in conveying to the employee his or her duties and job responsibilities so that he or she may successfully perform his or her job. These descriptions should be up-to-date, and whenever a job changes, a new PDQ (signed by the elected official or department head) should be completed and sent to Human Resources. Job descriptions should be completed for each position in the department of each elected official or department head. Human Resources utilizes job descriptions for new positions and upgraded positions to determine job grade, salary, etc. to slot positions falling under the Salary Administration Plan. The Position Description Questionnaire is posted on Montgomery County's Intranet website.

MONTGOMERY COUNTY, TEXAS
EMPLOYEE POLICY MANUAL
6. SAFETY

6.0 SAFETY POLICY

PURPOSE

6.0-1 Montgomery County is committed to protecting the safety and health of its employees. Utilizing safe work practices is an integral part of every job in the County, and supervisors are encouraged to include safety as a factor in all performance evaluations.

RESPONSIBILITY

6.0-2 The safety program, although administered by the Risk Management Department, is a shared responsibility between elected officials/department heads, supervisors and employees.

A. Management shall:
    1. Constantly be on the alert to observe and correct safety deficiencies quickly;
    2. Ensure that all employees are properly trained to safely perform their duties;
    3. Ensure that all employees properly use the equipment necessary to perform their duties;
    4. Enforce all safety rules and policies;
    5. Counsel employees and take appropriate action related to unsafe work practices;
    6. Report all on-the-job injuries and illnesses to Risk Management; and
    7. Investigate or facilitate the investigation of all accidents or near accidents in their work areas.

B. Employees shall:
    1. Abide by all safety rules established by Montgomery County;
    2. Immediately report on-the-job injuries and illnesses to their supervisor;
    3. Stop any operation or deactivate any equipment in case of imminent danger to life or health;
    4. Report any unsafe acts or unsafe conditions observed to their supervisor for appropriate action; and
    5. If an unsafe condition or practice is allowed to continue, report the condition or practice to the Director of Risk Management.

RETALIATION

6.0-3 Unsafe acts and conditions can be reported to Risk Management without fear of retaliation.

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. 1

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. 4 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."

4 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 began immediately.

Under qualifications-based procurement of A/E consultant services, four points are to be remembered: (1) qualifications-based procurement may p& 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 our 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.

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MEMO

March 5, 2024

Re: Purchasing Policy Manual Revisions

Please note the following changes to the Purchasing Policy Manual

- Policy 1.1, item B
  The word assure in second sentence changed to ensure

- Policy 2.1, item B
  Did read:
  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.

  Now reads:
  Requisitions are prepared and processed electronically via Infor and approved by the authorized approved assigned in Infor with an electronic security code. All information, including complete product or service details, must be given by the requesting department. 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.

- Policy 3.1, item B.2.c.
  Removed B.2.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.

- Policy 3.1, item E.
  Did read:
  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.

  Now reads:
  When items are received, the requesting department receives items in Infor, if they are 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 release their receipt in Infor and payment will be processed by the Auditor.

Re: Purchasing Policy Manual Revisions continued

- Policy 3.1, item I.4
  Did read:
  The Department of Information Technology will approve all purchases of computer equipment, computer software, technology services, and telephone equipment.

  Now reads:
  The Department of Information Technology will approve all purchases of computer equipment, computer software, technology services, and telephone equipment. This approval is driven by the commodity number used when creating the request in Infor.

- Policy 3.2, item D
  Corrected zip code listed from 77304 to 77301.

- Policy 3.2, item E
  Did read:
  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.

  Now reads:
  Bid Recommendations (LGC 262.027/262.030) - After examining copies of all the bids, the requesting department and/or evaluation committee will convey to Purchasing, prior to the deadline for Commissioners' Court agenda, a recommendation for award. 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.

- Policy 6.1, item 4.b.i.
  Did read:
  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.

  Now reads:
  Without prior approval from Purchasing, 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.

- Policy 6.1, item 4.b.viii.
  Did read:
  Telephone purchases made with the card must have prior approval from the Purchasing Department.

  Now reads:
  Purchases made over the phone with a vendor with the procurement card must have prior approval from the Purchasing Department.

- Policy 7.1, item D.
  The word assure in second paragraph changed to ensure



PURCHASING POLICY MANUAL

2024

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Approved in Commissioners Court 12/19/17
Grant Policy and Procedures- Added 6/12/2018

Approved in Commissioners Court 7/9/2019

Approved in Commissioners Court 12/13/2022
Non-Travel Meal Policy Added 12/20/22

Revisions to manual presented 3/5/2024

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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 ensure 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	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	1 Consults with User Department in development of specifications and procurement process to be used
	2 Ensures funding (budget is available to support need	2 Reviews specification to ensure that it is descriptive and specific but does not prevent competition among comparable goods
	3 Sends specification funds line item to Purchasing Office	3 Works with User Department to develop evaluation criteria/formats (as applicable)
	4 Works with Purchasing Office to develop evaluation criteria/formats (as applicable)	4 Prepares agenda request for Commissioners' Court (if applicable)
Solicitation	1 Reviews solicitation documents before issuance to ensure User Department needs are met	1 Develops solicitation documents based on specification and sends to User Department for review before final issuance
	2 Provides Purchasing Office with a list of potential vendors that can meet the solicitation requirements	2 Issues solicitation to vendors identified by User Department and vendor database.
	3 Provides technical clarifications to Purchasing Office if vendor questions arise	3 Advertises solicitation in accordance with state law
	4 Supports pre-solicitation conferences (as applicable)	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)	1 Evaluators from User Department sign confidentiality memorandum and send to Purchasing Office (as applicable)	1 Issues confidentiality memorandum to all evaluators before evaluation commences (as applicable)
	2 Evaluates responses based on established evaluation criteria	2 Supervises evaluation process to ensure consistent and fair application of evaluation criteria
	3 Completes evaluation and submit recommendation to Purchasing Office to develop negotiation strategy (as applicable)	3 Acts as point of contact for evaluator requests and communications to vendors for additional information
	4 Works with Purchasing Office to develop negotiation strategy (as applicable)	4 Compiles individual evaluation results and works with users to develop recommendation for award and prepares contract award agenda item for Commissioners' Court
	5 Participates as member of negotiating team to negotiate Best and Final Offers (BAFOs) (as applicable)	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	6 Works with Purchasing Office to develop final recommendation for award 7 Provides memorandum to Purchasing Office to support contract award agenda development	6 Leads negotiating team to negotiate BAFOs (if applicable) 7 Receives Best and Final Offer (BAFO) and develops final recommendation for award (if applicable) 8 Works with County Attorney in preparation of contract as required, and 9 Prepares contract award agenda request for Commissioners' Court 10 Issue Purchase Order
Contract Modifications	1 Request modifications in writing to Purchasing Office 2 Reviews draft and final modifications to ensure it meets User Department needs	1 Evaluates modification request and works with User Department to develop modifications 2 Coordinates with vendor and User Department to develop draft modifications 3 Works with County Attorney to review and finalize modifications 4 Obtains appropriate signatures (vendor, attorney, etc.) 5 Either Purchasing Agent approves modifications or staff develops Commissioners' Court agenda request for approval depending on type and amount of modification
Contract Performance Monitoring	1 Receives copy of contract and monitors vendor performance and delivery 2 Notifies Purchasing Office of non-performance and provides written documentation outlining details of non-performance (dates, description of problem, etc.) 3 Works with Purchasing Office to develop acceptable corrective actions (as applicable)	1 Maintains complete contract file with supporting documentation during term of contract 2 Works with vendor to resolve performance issues as identified by User Department 3 Develops corrective actions and timetables for completion to resolve performance issues and documents in contract file (as applicable) 4 Works with User Department and County Attorney to terminate contract when necessary because of non-performance 5 Prepares contract termination agenda request for Commissioners' Court action (if required)

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 electronically via Infor and approved by the authorized approved assigned in Infor with an electronic security code. All information, including complete product or service details, must be given by the requesting department. 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 requests for capital items or procurements that require a competitive sealed bid process (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 need to be justified through Commissioners' Court ($50,000 and above) and through the Purchasing Agent for capital items under $50,000.
2. **September 15 – <u>Deadline for all other purchase requisitions.</u>** Requisitions received after this date will not be processed in the current fiscal year unless adequate justifi- cation is made through the Purchasing Agent. Repair requests will be handled as normal to ensure efficient operations.

SUBJECT: PURCHASING REQUIREMENTS

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 262.0245). 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. Inform Purchasing of all unusual demands.
   d. Take no actions which might be viewed as obligating or committing the County, except in an emergency.
   e. 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.

D. When the bid or quote is awarded, the requisition will be processed into a purchase order (PO) by Purchasing.

E. When items are received, the requesting department receives items in Infor, if they are 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 release their receipt in Infor and payment will be processed by the Auditor.

F. It is the responsibility of each County department to see that all purchased items conform to the quantity, quality and specifications of the order.

G. 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.

H. 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 o via email to execute the order and later, Purchasing, if necessary, 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.

I. 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. This approval is driven by the commodity number used when creating the request in Infor.

J. 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 at ***501 N. Thompson, Suite 405, Conroe, TX 77301*** 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 and will be documented by sign in sheet that lists the date, time and location of bid opening. Bids or proposals will be opened only after the established closing date and time noted in the bid documents and the solicitation letter. 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 convey to Purchasing, prior to the deadline for Commissioners' Court agenda, a recommendation for award. 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.
- If a Federally funded project, Purchasing will review federal requirements and confirm that all appropriate requirements are included in contract document prior to execution.
- 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.

In addition, Purchasing obtains an Independent Cost Estimate (ICE) from the requesting department and contract must include all required Federal clauses and language.

Purchasing will review federal requirements and make every effort to confirm that all appropriate requirements are included in contract document prior to execution.

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 inquires.
   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. **Without prior approval from Purchasing, 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 person- ally 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. Purchases made over the phone with a vendor with the procurement card must have prior approval from the Purchasing Department.

ix. Routine 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.

For available exemption(s) to 5.a. iii and v. hereinabove, see Montgomery County Policy for Non-Travel Meals, Refreshments and Related Expenses as approved by Commissioners Court on December 20, 2022, including all future Commissioners Court approved amendments and addendums thereto, which Policy is deemed attached and incorporated herewith for all purposes as Exhibit "C", until rescinded.

b. A cardholder transaction that fails to comply with the current Montgomery County Policy(ies) 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:_____

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 be 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 ensure 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

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.

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.

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.

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.

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

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.

EXHIBIT "C"

Montgomery County Policy for Non-Travel Meals, Refreshments and Related Expenses

Montgomery County Policy for Non-Travel Meals, Refreshments and Related Expenses

I. POLICY STATEMENT

The Montgomery County Commissioners Court, being the policy development and budgetary control unit of Montgomery County government, has formulated a policy to review and control expenditures related to food expenses for meetings, county functions, declared emergencies or non-declared emergencies. The Commissioners Court may authorize exceptions to this policy, rescind or amend this policy at any time.

II. Scope

This policy, including procedures and guidelines, applies to all Montgomery County Departments, unless the Montgomery County Commissioners Court approves an exception to this policy; expenditures proffered as eligible under this policy must fulfil a clear public purpose and may be incurred only in compliance with applicable laws and all governing County policy(ies), including but not limited to the Purchasing Policy Manual (as amended from time to time) and Auditor's routine payment approval policies and procedures.

III. Definitions [*applicable to non-travel related expenditures only*]

"County Sponsored Event(s)" means meetings, seminars, training sessions, employee appreciation events, ceremonies, and other events that may include the General Public, hosted by County officials in furtherance of official County business, as additionally described under Section **V.** A. b. below.

"Refreshments" means non-alcoholic beverages and food items (e.g. snacks, pastries, chips) commonly served between meals, but not intended to serve as a substitute for a meal, offered on County property or while at a County Sponsored Event.

"Meals" means food and non-alcoholic beverages provided at breakfast, lunch or dinner times while on County property or at a County Sponsored Event.

"Related Expenses" means expenses associated with Meals and/or Refreshments for essential serving products including but not limited to cutlery, paper plates, cups, napkins, coffee, tea, creamer sugar etc..

"Extra Ordinary FRO Response" means a scene or event that requires multiple agencies and shifts of First Responders to work said scene or event whether scheduled or emergency; this may be offered at any location throughout the County, or out of County, while performing authorized mutual aid/assistance activities.

"Non-Declared Disaster" means a localized disaster that requires multiple agencies to respond and remain on scene for more than 12 hours; this may be offered at any location throughout the County, or out of County, while performing authorized mutual aid/assistance activities.

"Disaster Fund" means the County designated fund/line item (or as duly assigned or modified in the future) related to disasters and/or emergencies.

IV. Purpose

This Montgomery County policy, as approved by Commissioners Court and any future renditions as approved, will serve as a guideline to departments concerning when Meals, Refreshments, and Related Expenses may be paid for with Montgomery County funds. The procedures set forth herein are to be followed regarding payment or reimbursement of non-travel related Meals, Refreshments, and Related Expenses.

V. Permitted Expenditures

A. County Sponsored Events conducting substantial and bona fide official County business are eligible for Meals, Refreshments and Related Expenses, subject to the requirements below:

   a. Expenditures incurred shall be only for those attendees present at the event.
   b. Examples of eligible County Sponsored Events include, but are not limited to:
      i. Commissioners Court Meetings exceeding 4 hours
      ii. Budget workshops
      iii. Formal training sessions or seminars exceeding 4 hours
      iv. Official ceremonies
      v. Annual Staff meetings, but not weekly, monthly, or bi-monthly.
      vi. Business meetings involving multiple departments, internal and/or external.
      vii. Other County Sponsored Event not listed within the aforementioned examples i. through vi. but otherwise taking place with the approval of applicable Elected Official(s) or Department Head(s) and compliant with this policy and its requirements.
   c. If an eligible County Sponsored Event occurs during a recognized meal period, in order to accommodate scheduling requirements, Meals with Related Expenses may be provided; otherwise, Refreshments with Related Expenses only may be provided.

B. Meals, Refreshments, and Related Expenses specifically authorized or mandated by Federal, State law, and/or Government Contract(s) and/or grant(s), are not affected by or subjected to this policy. Notwithstanding anything to contrary stated herein or in any other associated document, this policy is intended to comply with all applicable laws, and shall be construed throughout to effect compliance with such.

C. Extra Ordinary FRO Responses or Non-Declared Disasters are eligible for Meals, Refreshments and Related Expenses at the direction of and subject to approval by the County Judge, County Commissioner, Sheriff, Constable, Fire Marshal, or EMC. Said expenses may be charged to the Disaster Fund, unless authorized to be charged to another funding source.

a. Non-County Employees of First Responder Organizations participating in, or assigned to work a scene or event are included in this policy and charges related to their Meals, Refreshments and/or Related Expenses are authorized expenditures, subject to the same limitations, as made applicable to County employees, under this policy.

D. Purchasing of beverages for the purpose of providing hydration for employees performing job tasks outdoors where they are exposed to weather conditions are not affected by or subject to this policy.

E. Purchasing of water for general use by departments are not affected by or subject to this policy.

F. Donated funds or allocations that are expressly approved by Commissioners Court for meals, refreshments, or related expenses for specific purpose(s), are not subject to the requirements and limitations of this policy.

VI. LIMITATIONS ON PERMITTED EXPENDITURES

A. The following limitations shall be further complied with, when making a permitted expenditure under this policy for Meals, Refreshments and Related Expenses:

a. Budget: the sponsoring department must have sufficient funds in their budget for such expenditures prior to authorizing the purchase;
b. Documentation Requirements: the following supporting documentation will be required for the County Auditor to process the payment of Meals and Refreshments, and related costs:
    1. Original itemized invoice or receipt.
    2. Written agenda/event flyer indicating type of event and time periods for event schedule.
    3. Sign in sheet (except where attendees include non-County employees or members of the general public, wherein a head count associated with a memo/letter from the authorizing official will be sufficient for audit purposes);
c. For Extra Ordinary FRO Response or Non Declared Disaster events, the following shall be timely submitted:
    1. ICS-214 Logs or dispatch logs
    2. Event type and detailed synopsis of the event scope/scale
    3. Approval memo/letter from the authorizing official;
d. Cost Guidelines:
    1. Excluding necessary Related Expenses, Meal costs per person attending shall not exceed:
        i. $10 per person for breakfast
        ii. $15 per person for lunch
        iii. $18 per person for dinner

iv. Sales Taxes may be charged, and do not count towards meal limit.
v. Delivery charges if any are allowed, and do not count towards limit;

2. Excluding necessary Related Expenses, for Refreshments' costs, the following apply:
    i. Cost for pastries, cookies, juices, soda, etc. shall not exceed $3.50 per attendee, whether employee or non-employee/public participant, and shall further comply with requirements below:
        a) For employee only events, a sign in sheet will be required for audit purposes.
        b) For events where non-County employees or the general public attend a head count associated with a letter from the authorizing official will be sufficient for audit purposes;

e. The County Auditor may deny any or part of the expense(s) if a lack of documentation and/or a lack of clear public purpose is determined;
f. Departments shall ensure expenditures comply with County Policy and fund source restrictions.
    1. Requisitions, PO's and P-Card use must comply with established County Policy(ies) and specifically all Purchasing Policies, including but not limited to the Purchasing Policy Manual (as amended from time to time), which Policies are deemed incorporated herein by reference.

Note: this policy does not prohibit expenses related to already established policy(ies) regarding EOC activations during declared disasters or non-declared disasters/extraordinary FRO responses, nor does it limit or prohibit expenditures with forfeiture funds.

MONTGOMERY COUNTY, TEXAS

Grants Administration and Accounting Policy and Procedures

Revised July 2024

Prepared By:
Montgomery County
Auditor & Grants Department

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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.

This policy is not intended to be an all-inclusive listing of rules, regulations, or laws relating to grant administration, but is a guide of standardized procedures to direct County personnel in the application and management of grant proposals and awards. All respective departments are responsible for the development and maintenance of internal policies and procedures that will be used in conjunction with established County standards. Additionally, each department is responsible for ensuring that County personnel administering grants are trained on applicable regulations governing their respective awards and the County's grant tracking system. Training may be provided by the granting agency, an outside vendor, or through internal resources. At a minimum, personnel administering federal grants must be trained on the requirements of 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

II. SCOPE

This grant administration and accounting policy and procedures is applicable to all federal, state, and local 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.

DEPARTMENT OF GRANTS AUTHORITY

The Grants Department 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 Department shall provide oversight, offer information, technical assistance, and guidance on the grant processes. The Grants Department will work extensively with the programmatic areas throughout the different departments to ensure programs are delivered efficiently and effectively. The Grants Department works closely with the Grants Reporting Accountant and Project Manager in the Recipient 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 Department is responsible for:

1. Researching grant funding opportunities.
2. Coordinating with the Grants Reporting Accountant and Project Manager to ensure an accurate, timely, efficient and transparent process for the entire grant life cycle, from proposal to close.
3. Assisting the Recipient 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 Department will put all grant applications, grant application amendments/changes or any grant related items through Commissioners Court.
6. Communicating with the Recipient Department to develop and maintain documents pertaining to grant awards.

7. Assisting the Recipient Department and County Auditor with financial reporting, programmatic reporting, and monitoring/auditing visits as necessary.
8. Establishing, maintaining, and renewing the County's SAM account.

PROGRAMMATIC REPORTING AUTHORITY

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 recipient County department is responsible for:

1. Coordinating with the Grants Department 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 Department 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 Department and Grants Reporting Accountant.
7. Processing invoices in a timely manner for accurate billing and financial accounting, then forwarding to the Auditors office to ensure charges all invoices are allowable, allocable and reasonable per 2 CFR 200 Subpart E-Cost Principles.

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 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 following financial management procedures and policies set forth in 2 CFR 200 Subpart E-Cost Principles to ensure the costs charged to the grant are allowable, reasonable, and allocable by following the below procedures:

1. Setting up and entering all grant related information into the County's finance system in order to properly track grant expenditures and revenues and to ensure that co-mingling of funds does not occur.
2. Preparation and/or review of financial reports for accuracy and compliance with grant accounting policies and procedures to ensure only grant eligible items are placed into the project.
3. Review of invoices, timesheets or any other grant reimbursement request to ensure only grant eligible items are allowable, reasonable and allocable,

4. Review/preparation of accounting spreadsheets, journal entries, and reports for Project Managers and administrators as needed.
5. Preparation of indirect cost schedules and journal entry, if applicable.
6. Consulting with Project Managers and administrators on budget issues and provide support, including assistance with budget preparation to ensure only grant eligible items are allowable, reasonable and allocable,
7. Communicating with Federal, State and other granting agencies when necessary to coordinate grant financial process.
8. Preparation of the annual A-133 audit report and assist with year-end audit requirements.
9. Reviewing grant applications for grant terms and County funding requirements prior to submission for Commissioners' approval.
10. Maintaining accurate and up-to-date records on current and pending grants.
11. Monitoring the grant process and assisting with the process of deobligating grants when complete.
12. Reviewing and processing contracts relative to grants.

IV. GOVERNING LAWS AND REGULATIONS

A sample of policy requirements is provided below, but these are not intended to be all-inclusive. As a condition of receiving any grant awards, the County is required to comply with all applicable laws, regulations and the provisions of grant agreements and contracts, and to maintain internal controls to provide reasonable assurance of compliance with these requirements.

FEDERAL REGULATIONS

Montgomery County shall adhere to Federal policy requirements affecting grants. The County shall review an award for an exhausted list of policy requirements and applicability to the award.

System for Award Management Registration Status (SAM Account)

The System for Award Management (SAM.gov) combines the federal procurement systems and the Catalog of Federal Domestic Assistance (CFDA) into a single system. An entity applying for grants that rely on federal funding must have an active SAM registration. The Grants Department has the responsibility of establishing, maintaining, and renewing the County's SAM account.

Unique Entity Identifier (UEI)

The UEI is a number issued by the System for Award Management (SAM) to identify businesses and other entities that do business with the federal government.

2 CFR Part 200

2 CFR Part 200 (also referred to as the Super Circular or Uniform Guidance) is issued by the Office of Management and Budget. These regulations can be found at:

https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1

This CFR establishes uniform guidance for all entities receiving and administering federal awards, as well as for auditors responsible for auditing entities receiving federal awards. All County employees involved with an award should be familiar with this Uniform Guidance to ensure full compliance. Key highlights of 2 CFR Part 200 policy requirements are provided below:

200.216- This regulation prohibits recipients and subrecipients from obligating or expending loan or grant funds for the procurement of certain telecommunications and video surveillance services or equipment, as identified under 200.216(a)(3).

200.217- This is a new regulation stipulates that an employee of a recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is:

- Evidence of gross mismanagement of a Federal contract or grant,
- A gross waste of Federal funds,
- An abuse of authority relating to a Federal contract or grant,
- A substantial and specific danger to public health or safety, or
- A violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant.

The recipient and subrecipient must inform their employees in writing of employee whistleblower rights and protection under 41 U.S.C. 4712.

200.310- This regulation stipulates that the non-Federal entity must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the non-Federal entity. Federally owned property need not be insured unless required by the terms and conditions of the Federal award.

200.321- This regulations provides that the non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, veteran-owned businesses and labor surplus area firms are considered and utilized when possible.

200.322- This regulations stipulates that the non-Federal entity should provide a preference for the purchase, acquisition, or use of goods/products/materials produced in the United States. This requirement must be included in all subawards including contracts and purchase orders for work or products under the award.

200.323- This regulations states that 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 of 1976 as amended. 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 during 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.

Davis-Bacon Act

The Davis-Bacon Act of 1931 is a federal law that established the requirement for paying prevailing wages on public works projects. Please see section "XIII. Labor Standards" of this manual for detailed instructions regarding this regulation.

Uniform Relocation Assistance Act

The Uniform Relocation Assistance Act of 970 is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property or displace persons from their home, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federally funded projects.

Civil Rights Act

Title VI and Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq. and its implementing regulations provide that no person will be subjected to discrimination on the basis of race, color, national origin, sex, age, disability, religion, income, family status, or pregnancy under any program or activity that receives federal financial assistance. 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. 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.

Title VI includes requirements to accommodate for persons with Limited English Proficiency (LEP) where it is a barrier to accessing important benefits or services, understanding, and exercising important rights, complying with applicable responsibilities, or understanding other information provided by federally funded programs and activities. Title VI requires that recipients take reasonable steps to ensure meaningful access to the information, programs, and services they provide. Montgomery County has developed a Language Access Plan that addresses this.

Equal Service Providers

Montgomery County is an equal employment and services provider. All grant decisions are based on merit and program need, and not on race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, weight, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law.

Disadvantaged Business Enterprise (DBE)

The DBE objective is to provide small businesses owned and controlled by socially and economically disadvantaged individuals a fair opportunity to compete for federally funded contracts.

Americans with Disabilities Act (ADA)

In the broadest sense, ADA requires that state and local governments be accessible to people with disabilities. Montgomery County will not discriminate against qualified individuals with disabilities on the basis of disability in the provision of services, programs, or activities.

Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) is a federal law which establishes minimum wage, overtime pay, eligibility, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in federal, state, and local governments.

National Environmental Policy Act (NEPA)

NEPA is a federal law that mandates assessment of the impacts on the environment of construction funded with federal dollars.

Buy American Act
Buy American Act requires U.S. Government entities to prefer U.S. made products in its purchases. It gives preference to domestic construction material.

STATE
Montgomery County shall adhere to State policy requirements affecting grants. Below are State regulations to follow:

Texas Administrative Code (TAC)
The Texas Administrative Code (TAC) is a compilation of all state agency rules in Texas. These rules can be found at:

https://texreg.sos.state.tx.us/public/readtac$ext.viewtac

Texas Grant Management Standards (TxGMS)
The Texas Grant Management Standards is published by the Texas Comptroller of Public Accounts to promote the efficient use of public funds in local government and in programs requiring cooperation among Local, State, and Federal agencies. TxGMS replaced the Uniform Grant Management Standards (UGMS) in December 2021. These standards can be found at:

https://comptroller.texas.gov/purchasing/grant-management/

LOCAL
The Montgomery County grants team must be aware of the provisions within the funding agreements as well as those that may apply to procurement. Below is a list of local governing documents:

1. Montgomery County Minimum Grant Amount Policy
2. Montgomery County Policy and Procedures for Presenting Supplemental Income
3. Montgomery County Purchasing Manual
4. Montgomery County Employee Manual
5. Montgomery County Ethics Policy
6. Montgomery County Personally Identifiable Information (PII) Policy
7. Montgomery County Language Access Plan

V. FEDERAL FISCAL COMPLIANCE

The County's financial management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that financial management system requirements are met.

Financial management standards and procedures shall assure that the following responsibilities are fulfilled:

- Identification- the County must identify, in its accounts, all Federal awards received and expended, and the Federal programs under which they were received.

- Financial Reporting- Accurate and complete disclosure of the financial results of Federal award program must be made in accordance with the financial reporting requirements of the grantor agency.

- Accounting Records- the County must maintain records which adequately identify the source and application of funds provided for Federally-assisted activities.

- Internal Controls- Effective control and accountability must be maintained for all funds, real and personal property and other assets. The County must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

- Budget Control- Actual expenditures must be compared with budgeted amounts for each Federal award.

VI. TYPES OF GRANT FUNDING

Block Grants- A broad intergovernmental transfer of funds or other assets by the U.S. Congress to state or local governments for specific activities such as justice initiatives, housing, health and human services, but with assurances required. Block grants are distributed according to legal formulas defining broad functional areas such as health, income, security, education or transportation.

Formula Grants- Are usually Block Grant funds. A Formula Grant is a grant that a Federal or State Agency is directed by Congress to make to grantees, for which the amount is established by a formula based on certain criteria that are written into the legislation and program regulation. The funding is directly awarded and administered in the Federal or State agency's program offices, or may be a pass-through grant to another unit of government.

Discretionary Grants- Non-formula grants that use competitive procurement methods to distribute funding. A Competitive Grant is an award of financial assistance in the form of money, or property in lieu of money, by the Federal or State Government to an eligible grantee, usually made based on a competitive review process.

Special Projects (also known as Earmarks, Entitlements, Appropriations or Member Projects- designate a certain source of revenue for specific projects made at the request of the legislator. Typically, the County submits requests for projects to State and Federal legislators who seek to obtain funds for those requests, usually to be spent in the district the legislator represents. Special Projects bypasses the normal competitive grant review procedure by which revenues are allocated into a general fund, then divided among various government programs. Most Special Project allocations are administered through State and Federal agencies who will require a Scope of Work and Contract after the legislation has been approved and before the funds can be expended. Federal and State grant compliance regulations, i.e. 2 CFR Part 200, often apply to Special Projects.

Pass-thru Grants- Grant funds originate with one grantor, but pass through to another grantor. Such as from one Federal Agency to a State Agency to local government.

Contracts that are Considers and Treated as Grants- On occasion, funding agencies (such as DSHS) will award grants in the form of a contract. In other words, the department does not formally apply to the funding agency, but through Federal and State designations, the County receives funds to implement

programs or projects in response to these designations. Upon receipt of these "contracts" the County will treat them as grants and will process them in the same manner as a grant award.

VII. 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 Department for review in a timely manner to be put on the next available Commissioners' Court. The Grants Department 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 Department 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 Department 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 Department is to present any grant award documents or amendments/changes to Commissioners' Court for acceptance.

6. The Grants Department and the Grants Reporting Accountant will make every effort to offer a speedy review of submitted requests. Involvement of the Grants Department 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.

VIII. 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 Grant Department, the County Auditor and Recipient 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 project to track expenditures, attaching a grant contract which includes all related grant details, setting up a funding source and the processing of a budget amendment. The grant contract in the finance system will be used to help generate the Schedule of Expenditures of Federal and State Awards.
    C. Update the Grants Listing spreadsheet with information concerning the grant.
    D. Communicate with the Grants Department and Recipient Department the information regarding the grant set-up.

IX. GRANT REPORTING PROCEDURES

The grant reporting section relates to the functions dealing with the monthly, quarterly and yearly accounting and reporting requirements. There are generally three types of reports during the lifecycle of a grant:

Financial Reports- the County Auditor's Office is required to regularly submit and retain financial reports that reflect a grant's fiscal health, financial reports are required by the grant agreement, and include supporting documentation. 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.

Performance Reports- the Recipient Department is required to regularly submit to the grantor and retain performance reports that reflect grant-funded operational progress as required by the grant agreement. The Grants Department is responsible for providing technical assistance in the required programmatic reports. The Grants Department 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.

Close-Out Reports- Dependent upon the conditions of the grant contract, after the expiration or termination of the grant, the Grants Department in conjunction with the Recipient Department and County Auditor's Office, is required to submit all performance, financial, and other reports required in the grant terms and conditions.

X. GRANT MODIFICATIONS, TIME EXTENSIONS, OR CANCELLATIONS

During the course of a grant's lifetime, there are times when changes are necessary to either the budget or the project scope-of-work. Most of these changes, typically called grant amendments or adjustments, are allowable, but it is important to follow the procedures written in the grant agreement or in the guides provided by the grantor. These changes must be pre-approved by the granting agency before they are considered eligible. The Grants Department is responsible for submitting all documentation of requests and amendment approvals to the Commissioner's Court for acceptance and to the granting agency for final approval.

Grant Modifications

1. Commissioner's Court must approve additional funding provided by the granting agency.
2. Written confirmation from the grantor is required before any money is spent on items different from what was approved in the original budget. Also, project activities that deviate from those originally proposed in the grant application shall be documented and receive prior approval from the grantor before instituting changes.
3. Budget amendments or similar documentation affecting the grant budget shall be entered into the County's financial management system for proper tracking.

Time Extensions

1. Some grants allow for time extensions to complete a project, if necessary. These requests must be documented and written approval from the granting agency must be received. These usually are in the form of a grant amendment/modification.
2. Commissioner's Court must approve any time extensions prior to being submitted to the grantor.

Cancellations

In the event a grant must be terminated before the original completion date or returned to the grantor prior to project initiation, standard practices for closing out a grant will be completed. In each of these cases the Recipient Department should first contact the Grants Department and Grant Accountant to discuss the impact on future funding from the granting agency.

XI. 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.

XII. SUBRECIPIENTS AND CONTRACTS

The County may encounter situations where it does not have the capacity to adequately fulfill all of the grant objectives and must seek out other entities to perform certain functions. These activities will be obligated in the form of a sub-contract or subrecipient agreement. In instances where federal funds are expended, it is important that subrecipients and contractors be defined accurately, as there are specific requirements the County must comply with based on the designation as provided in 2 CFR 200.331. Accurate classification of subrecipients and contractors is critical to a program's success and integrity.

Contractor- means an entity that receives a contract for the purpose of purchasing property or services needed to carry out the project or program under a Federal award.

Subrecipient- means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Subaward or Subrecipient Agreement- means an award provided by a pass-through entity to a Subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity.

The Purchasing department will manage procurement for the selection of contractors and vendors. Any subrecipient agreement will be generated by the Grant Department in conjunction with the Recipient Department and the County Attorney's Office. All subrecipient agreements must comply with 2 CFR 200.332 and include the following:

1. Federal Award Identification.
    a) Subrecipient name (which must match the name associated with its unique entity identifier);
    b) Subrecipient's unique entity identifier;
    c) Federal Award Identification Number (FAIN);
    d) Federal Award Date;
    e) Subaward Period of Performance Start and End Date;
    f) Subaward Budget Period Start and End Date;
    g) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
    h) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
    i) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
    j) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

k) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
l) Assistance Listings number and Title; the pass-through entity must identify the dollar amount available under each Federal award and the Assistance Listings Number at time of disbursement;
m) Identification of whether the award is R&D; and
n) Indirect cost rate for the Federal award (including if the de minimus rate is charged)

2. All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

3. Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports.

4. A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements.

5. Appropriate terms and conditions concerning closeout of the subaward.

SUBRECIPIENT FUNDING

Grants are primarily processed as reimbursement by the County, however there are times when an entity may require funds be advanced. The subrecipient award shall stipulate whether or not an agency will receive advanced funding or if payments will be processed on a reimbursement basis. The agreement shall also provide additional procedures for receiving payments.

The reimbursement payment method is the preferred payment method for all grant funding. Monthly financial and programmatic reporting shall be submitted to the County as well as reimbursement requests. Appropriate documentation supporting each expenditure is required to be submitted with the monthly financial reports. Any expenditure that does not have sufficient backup documentation will not be reimbursed by the County.

For grant funding that has been advanced, monthly financial and programmatic reporting shall be submitted to the County. At the end of the qualified grant period(s) any unexpended advances in excess of qualified grant expenditures shall be returned to the County. Failure of a subrecipient to comply with any financial reporting shall entitle the County to withhold upcoming cash advances, in whole or in part, until the missing, deficient or delayed reports are corrected and received, and/or to Terminate the agreement without incurring any default, breach, liability, or penalty on its part.

SUBRECIPIENT MONITORING

The County will monitor the activities of the subrecipient as necessary to ensure that the sub-award is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the sub-award; and that the sub-award performance goals are achieved. The Recipient Department is responsible for subrecipient monitoring. Subrecipient monitoring shall include:

1. Reviewing financial and performance reports required in order to comply with the Federal award.

2. Follow-up to ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient detected through audits, on-site reviews, desk reviews, and other means.
3. Issue a management decision for audit findings pertaining to the Federal award provided to the subrecipient.

The County may use the following monitoring tools to ensure proper accountability and compliance with program requirements and achievement of performance goals:

1. Provide subrecipient with training and technical assistance on program-related matters.
2. Perform on-site review of the subrecipient's program operations.

Based on the results of the subrecipient's audits, on-site reviews or monitoring activities, the County may consider taking enforcement action against a non-compliant subrecipient which may include the following remedies:

1. Temporarily withholding cash payments pending correction of the deficiency;
2. Disallow all or part of the cost of the activity or action not in compliance.
3. Wholly or partly suspend or terminate the Federal award.
4. Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180.
5. Withhold further Federal awards for the project or program.
6. Take other remedies that may be legally available.

SUB-AWARD CLOSEOUT

An integral part of subrecipient monitoring is close-out of the subrecipient agreement at the end of the project period. In general, a subrecipient agreement is closed when all deliverables have been met and the final payment has been made.

XIII. LABOR STANDARDS

The Davis-Bacon and Related Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of $2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon Act and Related Act contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.

The Davis-Bacon Act directs the Department of Labor to determine such locally prevailing wage rates. The Davis-Bacon Act applies to contractors and subcontractors performing work on federal or District of Columbia contracts. The Davis-Bacon Act prevailing wage provisions apply to the "Related Acts," under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

For prime contracts in excess of $100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. The overtime provisions of the Fair Labor Standards Act may also apply to DBA-covered contracts.

A construction project covered by federal labor standards, including infrastructure and housing, requires a series of specific actions by labor standards personnel. For Federally Funded projects that trigger Davis Bacon Montgomery County will follow the below procedures to ensure compliance.

1. **Montgomery County will designate a Labor Standards Officer (LSO) for the Project (Pre-Construction**)

   The appointment and maintenance of a LSO is required for all federally funded construction activities, including those with Force Account approval (A Force Account is a situation where a governmental entity uses their own staff to administer and/or construct all or part of a project. If the project is otherwise meets the requirement to adhere to federal labor standards, those portions of the project not completed "in house" must meet all fair labor standards requirements.

   The LSO is responsible for the regulatory administration and enforcement of the federal labor standards provisions on all Federally funding agreements covered by Davis-Bacon requirements. Tasks include:

   • Providing labor standards preconstruction advice and support to the other project principals (for example, the owner, sponsor, architect), including ensuring that no prime or sub-contract is awarded to a construction contractor that is ineligible (e.g., debarred) for federally-assisted work;

   • Providing the proper Davis-Bacon prevailing wage rate and ensuring that wage rate and applicable provisions are incorporated into all construction contracts and subcontracts;

   • Monitoring labor standards compliance by conducting interviews with construction workers at the job site, reviewing weekly payroll reports ensuring that the applicable Davis-Bacon wage rate and the Department of Labor's "Notice to All Employees" federal posters are displayed at the job site;

   • Overseeing any enforcement actions that may be required

2. **Obtain an Applicable Wage Decision for the Project (Pre-Construction)**

   The LSO must obtain the applicable wage rate for each specific construction contract where Davis-Bacon and Related Acts (DBRA) regulations apply. Wage Decisions can be pulled at beta.SAM.gov and are required to be posted at the job site.

3. **Ensure the Wage Rate is Current Before Bid Opening (Pre-Construction)**

   LSO must confirm the wage decision in the bid specifications for construction contracts is still current for the bid opening date or the Notice to Proceed for Housing Projects. The LSO must re-verify the wages rates and complete the GLO Ten-Day Confirmation Form ten (10) calendar days or less before the bid opening.

   A completed Ten-Day Confirmation Form, signed by the Labor Standards Officer, and a copy of the current wage decision must be retained in the grant files with other labor standards

documentation, and will be provided to Grantor representatives upon request. The date the wage rates were confirmed by the Labor Standards Officer must be recorded.

4. **Hold a Pre-Construction Conference to Explain Labor Standards (Pre-Construction)**

   A pre-construction conference must be held with the developer/owner, engineer/architect, prime contractor, subcontractor(s), inspector(s), LSO, and all applicable utility companies prior to the start of construction.

   The LSO must document and retain pre-construction conference minutes, including a list of attendees and an outline of the required federal/state labor requirements utilizing the Pre-construction Conference Report.

5. **Submit the Labor Standards Record (Pre-Construction)**

   The LSO must submit the Labor Standards Record (LSR) form to the Grantor Grant Manager as requested or upload in the Grantor system of record, if available. The LSR is required for each construction contract over $2,000.

6. **Review Project Payrolls During Construction (Post Start of Construction)**

   The LSO or other designated inspector must conduct on-site visits to the project site and interview a proportion of the workers concerning their employment on the project. In addition, the LSO must review weekly payrolls and related submissions to ensure the labor standards requirements have been met.

   The LSO will notify the prime contractor if these reviews find any discrepancies or errors and will provide instructions about what steps must be taken to correct any problems.

On-site Interviews:
Every employer (contractor, subcontractor, etc.) must make their employees available for interview at the job site with the LSO.

Employee Interviews should be representative of all classifications of employees on the project. The number and quality of interviews documented should reflect that the LSO is diligently ensuring that workers are paid at least minimum prevailing wage rates, the interviews are confidential, and the employee will be asked the type of work they perform and their rate of pay.

Every effort will be made to ensure that these interviews cause as little disruption as possible to the on-going work. Interview information must be recorded on the Record of Employee Interview. If employees are not available for interview during the LSO's on-site visit, the LSO must document the date of the on-site visit, the reason employees were not available, and the attempt to obtain the required information through other means, such as sending mailed questionnaires.

Project Payroll Reviews:
A weekly certified payroll report for all prime and subcontractors must be completed and kept in the local files, beginning with the first week in which construction begins on the project and for every week

after until the work is complete. The LSO must review the payroll submissions in a timely manner to ensure that:

- Workers are properly listed on the payroll for the days, work classification, and rate of pay (compare to interview forms);
- The payrolls are complete and signed;
- Employees are paid no less than the wage rate for the work classification shown;
- Apprentice and trainee certifications are submitted; and
- Employee payroll deduction authorizations for other deductions are submitted, if applicable

XIV. 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.

XV. GRANT MATCH

Matching and cost share will be calculated and documented in accordance with federal and state rules. Grant recipients must maintain the same audit documentation for grant funds as for grant match. The budget shall identify those expense items that are meeting match-related requirements and identify the funding source contributing to the match.

XVI. PROGRAM INCOME

Program income is funds received when a grant program produces revenue. Sources may include:

- Fees
- Interest
- Forfeiture
- Proceeds from the disposition by sale or long-term lease of real property purchased
- Disposition of equipment
- Payment of principal and interest
- Proceed from sale of loan

It is imperative that program income is properly tracked, recorded and reported. Uses of program income include:

- Reduce requests for reimbursement by amount of program income
- Use program income to further grant activities
- Return program income to the funding agency

Program Income must be reported to the granting agency and with the expenditures on the Schedule of Federal Awards (SEFA).

XVII. LIQUIDATION PERIOD AND GRANT CLOSE-OUT PROCEDURES

The Recipient Department 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 Recipient Department with assistance from the Grants Department 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.

Upon completion of the grant and de-obligation of any remaining funds through Commissioner's Court, the Grants Reporting Accountant shall prepare a budget amendment in order to bring any remaining

budget to zero. The Grant Reporting Accountant will, also, mark the grant as "Inactive" in the County's finance system. This will prevent overspending and unallowable costs.

XVIII. FILE MAINTENANCE AND RECORDS RETENTION

File Maintenance
In accordance with 2 CFR Section 200.336 Access to Records, the County shall provide the Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity or any of their authorized representatives, the right of access to any documents, papers, or other County records which are pertinent to the Federal award. The County shall also permit timely and reasonable access to County personnel for the purpose of interview and discussion related to such documents.

All records must be retrievable and available for program-specific or financial audits. The County shall ensure the proper maintenance of Federal fiscal records documenting the following:

- Amount of Federal funds
- How the Federal funds are used
- Total cost of each Federal project
- Share of total cost of each project that is funded from other sources
- Other records to facilitate an effective audit and to show compliance with Federal program requirements.

Records Retention
The County must retain all grant related documents for a specified amount of time. This includes hard copy and/or electronic formats. The County follows the Texas State Library and Archives Retention Schedule. 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/slrm/localretention/schedule_gr

Basic Records Retention Procedures
1. The grant files will be retained/archived by the Grant Department, the Recipient Department, and the County Auditor's Office.
2. Recognizing that granting agency retention periods differ, prior to destruction or disposal of any documents, the appropriate entities and individuals will be notified to ensure that the retention period has expired.
3. Grant file retention requirements include books of original entry, source documents that support the transactions recorded in the general ledgers, personnel and payroll records, cancelled checks and related documents.

All grant records must comply with 2 CFR 200.82 which requires safeguarding data records against unauthorized alterations including Personally Identifiable Information (PII). Refer to the internal grant PII Policy for specific information.

Once the mandatory retention period has lapsed, the grant records may be properly destroyed in accordance with the Texas State Library and Archives policy or granting agency guidelines, whichever is more stringent.

XIX. AUDITS, MONITORING VISITS, AND SINGLE AUDIT

Granting Agency Audits
Each grantor may have different terms they use when conducting reviews of programs they fund. However, no matter the term used, the agency is reviewing documentation that substantiates whether the County is in compliance with the terms and agreements associated with the specific grant award. These reviews are typically both programmatic and fiscal related. If the Recipient Department is notified of an upcoming monitoring visit or audit from a granting agency, the Grants Department and County Auditor must be notified as they are required to attend all entrance and exit conferences with granting agencies.

External Audits
The County engages an independent audit firm to review the County's financial reports and grant reports for compliance and deficiencies on an annual basis. These auditors are managed by the County Auditor's Office and annually review the Comprehensive Annual Financial Report (CAFR) and Schedule of Expenditures of Federal Awards (SEFA).

Single Audit
The Single Audit is an audit performed by an independent audit firm on all federal and state grant funds received by the County. The Single Audit tests for accurate reporting of expenditures, allowable expenditures, compliance with the grant agreement and internal controls. Findings can adversely affect current and future funding, as well as other financial outcomes related to bonds and the County's financial rating. Findings can also increase the number of site visits by funding agencies to perform monitoring.

XX. 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.

XXII. UPDATES AND REVISIONS

This document contains Federal, State, and County policies that may be revised over time as regulations change, new processes are designed, and risks change. The Grants Department in conjunction with the County Auditor's Office, will review the procedures described herein and update this documents, as necessary, or as circumstances dictate.

XXIII. EFFECTIVE DATE

This policy is effective as of _____.

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

Phyllis L. Martin
County Auditor

Peggie Rushing
1st Assistant County Auditor

#41

25E

FEB 1 3 2012

February 13, 2012

TO: Commissioners Court

FROM: Phyllis L. Martin
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 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 Department for review at least two (2) weeks prior to Commissioners' Court. The Grants Department 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 Department 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 Department and the County Auditor the adjusted grant cover sheet for approval before placing the item on the Commissioners' Court agenda.

7. The Grants Department and the County Auditor will make every effort to offer a speedy review of submitted requests. Involvement of the Grants Department 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.

#11 14C

SEP 2 5 2018

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.

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.

Date: 07/28/10

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.

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Montgomery County Grants and Community Development (MCCD)

Personally Identifiable Information (PII) Policy (applicable only to MCCD administered grants)

Effective the 26th day of September, 2023

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I. Purpose and Authority

On December 26, 2013, the Office of Management and Budget revised the Uniform Administrative Requirements for Federal grants, combining those requirements with those of the audit requirements and cost principles. These regulations, which are codified at 2 CFR Chapters I and II, Parts 200, 215, 220, 225, and 230, became effective December 26, 2014, and are referred to as the Uniform Guidance. These rules contain requirements that subrecipients take reasonable measures to safeguard protected Personal Identifiable Information (PII) and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, and Local laws regarding privacy and obligations of confidentiality.

Various services provided by Montgomery County Grants and Community Development (MCCD) and its subrecipients require confidential information to be obtained. Safeguarding sensitive information is a critical responsibility that must be taken seriously at all times. Montgomery County is committed to protecting the privacy of individuals' information and has adopted a Personal Identifiable Information (PII) Policy for all projects assisted with grant program funds. MCCD's PII Policy is consistent with, and incorporates, the requirements of the Privacy Act of 1974, as amended, and other federal privacy-related laws, guidance, and best practices, while maintaining compliance with Chapter 552, Texas Government Code, State of Texas records retention requirements, and associated regulations. This PII Policy shall apply to all MCCD subrecipients who receive pass-through funds and MCCD expects those who collect, use, maintain, or disseminate such information to protect the privacy of that information.

This policy provides consistent guidelines for how MCCD and its subrecipients deal with PII in regard to appropriate gathering of paper and electronic information, how long that data remains in the possession of MCCD and its subrecipients, and how that data is disposed when no longer needed or retained as required by regulation.

II. Definitions

A. For purposes of this policy, Personal Identifying Information (PII) is information that can be used to distinguish or trace an individual's identity; PII may include, but is not limited to, any instance of an individual's first name (or first initial) plus the last name and any one or more of the following:

- Social Security Number
- Address
- Date or place of birth
- Driver license or state-issued ID number
- Military ID number
- Passport number
- Unlisted telephone numbers
- E-mail addresses
- Credit card (or debit card) number, CVV2, and expiration date
- Financial account numbers (with or without access codes or passwords)
- Customer account numbers

- Mother's maiden name
- PINS or passwords
- Password challenge question responses
- Account balances or histories
- Wages & salary information
- Tax filing information
- Biometric data that can be used to identify an individual, including finger or voice prints
- Digital or physical copies of handwritten signature
- Medical record numbers
- Vehicle identifiers and serial numbers, including license plate numbers
- Medical histories
- National or ethnic origin
- Religious affiliation(s)
- Physical characteristics (height, weight, hair color, eye color, etc.)
- Insurance policy numbers
- Credit or payment history data
- Full face photographic images and any comparable images
- Certificate/license numbers
- Internet Protocol (IP) address numbers

In general, Personally Identifiable Information (PII) does not include information that is lawfully obtained from publicly available records, or from federal, state, or local government records lawfully made available to the general public, including pursuant to the Texas Public Information Act. For purposes of this policy, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source, that, when combined with other available information, could be used to identify an individual.

B. Sensitive information is any unclassified information whose loss, misuse, or unauthorized access to or modification of could adversely affect the interest or the conduct of Federal programs, or the privacy to which the individual is entitled to under the Privacy Act.

C. Protected PII is information that if disclosed could result in harm to the individual whose name or identity is linked to that information. Examples of protected PII include, but are not limited to, social security numbers, credit card numbers, bank account numbers, unpublished telephone numbers, ages, birthdates, marital status, spouse names, educational history, biometric identifiers (fingerprints, voiceprints, iris scans, etc.), medical history, financial information, and computer passwords.

D. Non-Sensitive PII is information that, if disclosed by itself, could not reasonably be expected to result in personal harm. Essentially, it is stand-alone information that is not

linked or closely associated with any protected or unprotected PII. Examples of non-sensitive PII include information such as first and last names, email addresses, business addresses, business telephone numbers, general education credentials, gender, or race. However, depending on the circumstances, a combination of these items could be potentially categorized as protected or sensitive PII.

III. Responsibility

Within Montgomery County, data security is the responsibility of the individual dealing with PII, the department in which they operate, and the supporting security framework administered by the Information Technology Department. With regards to subrecipients, data security is the responsibility of the individual dealing with the PII, the agency, office, service area, department, or division in which they operate, and their supporting security framework.

MCCD shall act as the responsible authority for ensuring departmental compliance relating to the retention and disposal of PII and is responsible for ensuring that subrecipients who maintain PII comply with this policy. MCCD is, also, responsible for carrying out the external notification process in the event of a data security break/breach that affects PII.

To the extent applicable, the Montgomery County Information Technology Department, pursuant to the Montgomery County Employee Policy Manual Section 3.4 Technology Policy, will implement and maintain reasonable security procedures and practices to ensure that electronic data is adequately protected.

IV. Policy and Procedure

This section outlines the baseline requirements that MCCD and its subrecipients must follow in order to protect PII.

A. Data Collection

Entities should carefully determine if the information is critical to collect and only collect PII that is needed for the purposes of the program. Do not collect or maintain sensitive PII without proper authorization. Before collecting PII or sensitive information from participants, participants must sign releases acknowledging the use of PII for grant purposes only.

B. Data Security

Entities should carefully manage access to any PII. Only employees with data access permissions shall have access to PII. PII will not be disclosed to any unauthorized person, either within the organization or externally, this includes in-person communication or via telephone, fax, or email.

The Montgomery County Information Technology Services department, as part of its cybersecurity responsibility, will provide appropriate security awareness training to all employees of Montgomery County.

C. Data Storage and Use

PII may reside in hard copy or electronic records; both forms of PII fall within this policy scope. The method in which PII in either format is stored must be secured from unauthorized use. MCCD and its subrecipients must work with Montgomery County residents to maintain transparency regarding the use, processing, maintenance, and destruction of their PII obtained for program purposes.

Protecting hard copies of PII

1. Do not remove records with sensitive PII from the location in which the information is authorized to be stored unless appropriately authorized.
2. Paper records containing PII shall be kept in a physically secure location when not being actively used. MCCD physical files will be kept in locked filing cabinets within the file room. Only authorized personnel shall have access to keys to these cabinets.
3. Entities must ensure paper documents containing PII are not left in view of unauthorized personnel or the public, for example, on a printer or a desk.

Protecting digital copies of PII

1. When data is stored electronically, it must be reasonably protected from unauthorized access, accidental deletion, and malicious hacking attempts.
2. PII should not be stored on removable media. If data must be stored on removable media devices, it must be physically secured and encrypted.
3. County data must be stored on designated drives and servers and users may only upload data to approved cloud computing services. Under no circumstances should PII be stored on local computer hard drives or storage devices.
4. Entities must ensure electronic PII is not visible to unauthorized people, such as on a monitor that the public may have the ability to view. When working with PII, MCCD employees must ensure their screens are locked when left unattended.

D. Data Transmission

Entities shall take every precaution to safeguard the transmission of any PII. The sharing of PII will only be done using appropriate tools and procedures as defined by federal regulations and pursuant to the Montgomery County Employee Policy Manual Section 3.4 Technology Policy. PII is not to be shared informally outside of these policies and procedures. Entities must not share PII unless the use is within the course of the program operation.

1. When sending sensitive PII via email or through an unsecured information system, make sure the information and any attachments are encrypted.
2. Do not place PII on shared drives, multi-access calendars, the intranet, or the internet.
3. When faxing sensitive PII use a fax machine that uses a secure transmission line. Contact the recipient prior to faxing the information to inform them that the information is coming. Ensure that none of the transmission is stored in the memory on the fax machine.
4. If sensitive PII must be mailed, use sealable envelopes that are not translucent. Mark the envelope to the person's attention only and mark as "signature required".

5. Entities must ensure that the reporting records of their required organizational audits do not include any PII (ie: PII must be redacted) to the extent allowed by law.

E. Data Retention

PII should only be kept as long as needed or required by superseding regulations. Data should be regularly reviewed against the applicable Texas State Archive's records retention schedule. If no longer needed or required by state or federal law or regulation, data should be promptly and appropriately disposed. Records containing PII should not be kept longer than required.

1. MCCD and its subrecipients are responsible for identifying all physical or electronic records that contain PII.
2. Paper documents will be shredded and securely disposed of when no longer needed or required to be kept.
3. Any removable media, such as a flash drive, must be permanently erased when information is no longer needed or required to be kept.
4. If historical records must be kept without the associated PII, all PII must be effectively redacted.

F. Data Breach

A data breach occurs when PII is viewed, leaked, or accessed by anyone who is not the individual or someone authorized to have access to this information as part of his/her official duties. If MCCD or its subrecipients become aware of a potential data breach of records that contain PII, they are required to take appropriate action as defined in this section and/or otherwise required by applicable laws, to report and investigate the cause and extent of the breach. MCCD and its subrecipients will work in conjunction with other departments including IT, the Sheriff's Office, and the County/District Attorney to launch and manage such an investigation.

If the investigation determines there is sufficient evidence to conclude that a security breach involves the misuse or reasonable likelihood of misuse of PII, MCCD must issue a written notice to the affected Montgomery County residents. Notice must be given no later than thirty (30) days after the date of determination that a security break involving PII occurred.

The notice must include the following information:

- The date, estimated date, or estimated date range of the security breach;
- A description of the PI that was acquired or reasonably believed to have been acquired as a result of the security breach;
- Information on how to contact the County to inquire about the security breach;
- Toll-free numbers, addresses, and websites for consumer reporting agencies as well as the Federal Trade Commission; and
- A statement that the resident can obtain information from the FTC and credit reporting agencies about fraud alerts and security freezes.

G. Compliance

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Violation of this policy may result in loss of privileges and/or subject to disciplinary action up to and including termination of employment. Criminal and/or civil action may also be initiated if appropriate under applicable laws.

Approved and made effective this 26th **day of** September**, 2023.**

Mark J. Keough, County Judge
Montgomery County, Texas

Approved by Grants and Community Development

By: Rebecca Ansley, Director

Approved by Information Technology Services

By: Bobby Powell, Director